Office of the Washington State Auditor

STATE OF WASHINGTON

Request for Quotations and Qualifications (RFQQ)

K633-RFQQ-1911

Energy Independence Act
Conservation target compliance evaluation

Preproposal Teleconference September 09, 2020 at 11:00 a.m. Local Time
In Olympia, Washington

Proposals Due 2:00 p.m., Local Time in Olympia, Washington, on September 30, 2020

Solicitation Coordinator Charleen Patten
Phone (564) 999-0941
E-mail: contractmanager@sao.wa.gov

State Auditor's Office
3200 Sunset Way SE
PO Box 40031
Olympia WA 98504-0031
(564) 999-0941

TABLE OF CONTENTS

Table of Contents

CHAPTER 2 - STANDARD INSTRUCTIONS TO PROPOSERS 13
CHAPTER 3 - PROPOSAL SECTIONS 23
CHAPTER 4 - EVALUATION AND CONTRACT AWARD 31
EXHIBIT A - CERTIFICATIONS AND ASSURANCES 34
EXHIBIT B - SAMPLE CONTRACT FOR PROFESSIONAL SERVICES 36
ATTACHMENT A – STATEMENT OF WORK 45
ATTACHMENT B - GENERAL TERMS AND CONDITIONS 46
EXHIBIT C – HOURLY RATE CERTIFICATION 54
EXHIBIT D - REFERENCE WORKSHEET 55
EXHIBIT E - REQUIREMENTS CHECKLIST 56
EXHIBIT F – INFORMATION FOR RFQQ RESPONDENTS 57
EXHIBIT G – PROCUREMENT EVALUATION FOR EXECUTIVE ORDER 18-03 CERTIFICATION FORM 58
EXHIBIT H – SAMPLE TASK ORDER 59

CHAPTER 1 - INTRODUCTION & DEFINITIONS

1. INTRODUCTION

The Office of the Washington State Auditor, herein called "SAO" is initiating this Request for Quotations and Qualifications (RFQQ) from firms interested in providing subject matter expertise in support of its compliance examinations of up to thirteen (13) consumer-owned public utilities. Specifically, the SAO desires subject matter experts to assist with its examination of each utility's compliance in developing its energy conservation acquisition targets in accordance with the Energy Independence Act (the Act).

The SAO is the principal auditing entity. The contractor will provide SAO with relevant subject matter expertise and will complete the work as set forth in the Objectives and Scope. SAO will review and oversee the contractor's work and reserves the right to modify the Objectives and Scope, including deleting tasks at critical points during the course of the contract.

SAO and the contractor will work collaboratively to ensure audit procedures are conducted in accordance with generally accepted government auditing standards (GAGAS)[1], also known as "Yellow Book," for attestation engagements, and attestation standards established by the AICPA. For instance, the contractor will complete the assigned tasks, and SAO will review the work for consistency with the Objectives and Scope, for consistency between utilities, for accuracy, and for sufficiency of evidence. The contractor must be independent from the entities examined.

A. OUR AUDIT AUTHORITY

SAO's audit authority is granted by RCW 43.09. The SAO is responsible for auditing consumer-owned qualifying utility compliance with the Energy Independence Act as required by RCW 19.285.060(7). All expenses related to these audits are billable to the utilities. SAO is not a regulatory or enforcement agency.

B. BACKGROUND

Overview of the Energy Independence Act

Approved by voters in 2006, the Energy Independence Act (the Act), also known as Initiative 937, requires certain electric utility companies in the State of Washington to invest in renewable energy sources and energy conservation programs. The Act was codified in state law as Revised Code of Washington (RCW) Chapter 19.285 and administrative rules under Washington Administrative Code (WAC) Chapter 194-37.

The Act applies to all "qualifying utilities" which the Act defines as electric utilities serving more than twenty-five thousand (25,000) customers in the State of Washington. SAO is only required to audit those qualifying utilities that are consumer-owned utilities. This does not include investor-owned utilities or cooperatives.

[1] GAO-12-331G Government Auditing Standards, 1.18(a), electronic page 17

SAO is required to audit compliance of the following utilities/districts for the 2020-2021 compliance period:

Municipal utilities:

Seattle City Light	Tacoma Power

Public Utility Districts (PUDs):

Benton County	Grant County, No. 2
Chelan County	Grays Harbor County
Clallam County	Lewis County
Clark County	Mason County, No. 3
Cowlitz County	Snohomish County
Franklin County	

It is possible this list could expand to include other utilities / districts that become qualifying utilities subject to audit in compliance periods subsequent to 2020-2021.

The SAO seeks responses from firms/subject matter experts interested in partnering with our audit staff. The SAO is specifically looking for firms/subject matter experts with energy conservation planning expertise which is specific to Washington State.

The SAO has extensive experience conducting Yellow Book audits. Responders to this work request are not required to have Yellow Book audit experience.

The purpose of SAO's examinations is to audit the above listed utilities/districts for compliance with the Act's energy conservation requirements. In order to complete the audit work necessary to opine on compliance, SAO procedures include verification each listed utility/district developed its ten-year energy conservation potential supporting its biennial target in accordance with the Act, and verify each listed utility/district acquired energy conservation of a megawatt-hour (MWh) value sufficient to comply with that target.

Through this RFQQ, the Office of the State Auditor seeks subject matter expert services to design and perform analytics and procedures to verify each of the consumer-owned qualifying utilities listed above developed its ten-year energy conservation potential supporting its biennial target in accordance with the Act's requirements. The work sought through this RFQQ addresses a portion of the work necessary for SAO to report and opine on each consumer-owned qualifying utility's compliance with the energy conservation requirements of the Act.

We provided additional information that respondents may find helpful in **Exhibit F**.

C. OBJECTIVES AND SCOPE

Scope - SAO seeks subject matter expertise to assist in its examinations of consumer-owned qualifying utility's compliance in developing their respective 10-year energy conservation potential assessments and biennial energy conservation targets in accordance with the Energy Independence Act for the following compliance periods:

- January 1, 2020 through December 31, 2021;
- January 1, 2022 through December 31, 2023.

At SAO's sole discretion, the scope of work or list of entities may be adjusted as necessary for SAO to meet its audit requirement under the Act for the compliance period beginning January 1, 2022 through December 31, 2023. SAO will decide whether the scope of work under this RFQQ will be extended through a contract amendment to examine consumer-owned qualifying utility targets for the 2024-2025 and 2026-2027 compliance period targets.

To identify conservation targets for each respective biennial energy conservation compliance period, the Act requires qualifying utilities to apply the methodologies used by the Northwest Power and Conservation Council (the Council) in its latest published power plan, the 7th Power Plan, the Power Plan in place during 2019 when the consumer-owned qualifying utilities were performing and completing their respective Conservation Potential Assessments (CPAs) supporting its biennial target (WAC 194-37-045). The Washington Department of Commerce summarized the Council's methodologies consumer-owned utilities are required to apply in its administrative rule under WAC 194-37-070.

The particular "tool" or model used to develop a 10-year energy conservation potential and biennial target varies by utility. For example, all consumer-owned qualifying utilities hired third-party consultants to develop, or assist in the development of, the underlying conservation potential assessments (CPAs) supporting the 10-year conservation potential and biennial energy conservation target. Consultants for several utilities/districts SAO audits used the ProCost model and workbooks available from the Regional Technical Forum's (RTF) to develop their CPAs. Some utility consultants use proprietary modeling they identified as confidential. **Consultants may require SAO and the firm awarded this contract to sign a nondisclosure agreement to obtain the modeling or other support.**

Objectives – For each consumer-owned qualifying utility, the contractor will:

1. Verify the CPA was developed following the Council methodology summarized under WAC 194-37-070,
2. Verify significant changes in assumptions from the previous CPA are consistent with the support, and
3. Perform analytics to ensure obvious errors, omissions, are identified for follow up with the utility.

SAO will obtain from each of the consumer-owned qualifying utilities, and provide to the contractor, each utility's/district's CPA and supporting documentation (CPA modeling and supporting worksheets) from which the utility's 10-year energy conservation potential and adopted biennial target were derived.

To meet the objectives, the contractor will:

1. Verify the utility's process for developing the CPA supporting its 10-year energy conservation potential and its adopted target are consistent with documentation SAO maintains and updates with the utility at the start of each audit. Notify SAO of the inconsistencies identified for follow up and clarification with the utility.

   The document SAO maintains is a document describing the processes the utility performed to ensure its CPA supporting its 10-year energy conservation potential and biennial target are developed in accordance with the Act's requirements and free from obvious, significant error.

SAO provides each utility an opportunity to review and revise the document in response to SAO's initial information request to start the engagement. The contractor will review the document for the purposes of understanding the utility's processes and controls and use that information to develop its planned approach.

2. Perform and document analytical procedures to identify risk areas (the methodology applied, the inputs used, or the modeling of those inputs). During the weekly update with SAO, the contractor will present its proposed strategy or procedures to be performed in examining a particular entity's target for SAO review and approval.

3. The contractor will perform and document its examination consistent with the strategy and procedures documented and discussed with SAO, which will include assessment of the qualifying utility's CPA model and support as the basis for the contractor's conclusion as to whether the model and support reasonably demonstrated the utility met each of the Council's methodologies summarized in WAC 194-37-070. The contractor will make a preliminary compliance assessment, but the SAO is responsible for the final conclusion on a utility's compliance.

4. The contractor will document its review and conclusions reached in individual memoranda as follows:

   - For each of the Council's methodologies required by WAC 194-37-070, the contractor's work papers will include a reference to where in the modeling and supporting documents the contractor observed evidence supporting the utility addressed the specific requirement. To the extent additional support was necessary to verify a requirement was addressed, the contractor will document the source of the information, a description of exhibit of the information obtained, and a description as to how the information supports the contractor's conclusion.

     For each of the requirements, the contractor's work papers will include descriptions, exhibits, or references to these additional sources of information sufficient for a reviewer to re-perform the work and reach the same conclusion, such as:

     - The source of additional information used so it can be independently obtained, who prepared the information, and a description of how the information is directly related to the utility's application of the methodology;

     - Why the support reviewed was reasonable to support the conclusion[2].

   The SAO's responsibility is to provide reasonable assurance, not absolute assurance on compliance. To achieve reasonable assurance, the contractor will evaluate the utility's support to determine whether a particular requirement was addressed and incorporated into the modeling supporting the utility's CPA supporting its 10-year conservation potential and biennial target.

   Audit standards do not require the auditor examine all information that might exist. However, the degree of evidence necessary may extend beyond information SAO obtains at the beginning of the engagement to inquiry of the utility and its consultant, including obtaining additional sources of evidence depending on the contractor's judgment, based on its assessment of the risk of non-compliance. This can include corroborating evidence from independent third-party sources, the contractor's own experience, or other competent sources that either corroborate or challenge assumptions significant to the modeling.

[2] GAO-18-568G Government Auditing Standards, 7.34, page 135

- Should the contractor determine a required method will not be tested, the contractor will provide SAO an explanation as to why the deviation from the plan is necessary for discussion and approval by the SAO before the deliverable will be accepted as complete. Deviations not pre-approved by SAO, which require additional work by the contractor to complete, will be conducted at the expense of the contractor.

- If an exception is noted, the contractor must identify and document the cause of the exception and, to the extent determinable, the impact on the utility's 10-year conservation potential and biennial target. Documentation should clearly state whether the instance was isolated or systemic. The contractor will contact the SAO program manager if systemic issues are noted so the impact of the instance on the overall testing strategy can be evaluated and testing can be adjusted as needed.

  The Contractor will be expected to join SAO in meeting with the utility and, at the utility's discretion, its consultant, to discuss the potential exception to ensure the utility has had full opportunity to provide all information it would like the SAO and the Contractor to consider in finalizing the preliminary conclusion.

- SAO will review the contractor's documentation of the testing performed and results to verify the work was documented in a manner that can be easily followed. SAO will also review the work to verify referencing is included that is accurate and provides a clear path between the testing performed and the supporting documentation. Revisions for minor edits and clarifications in completing the deliverables under this contract are a normal part of conducting an audit. However, if significant revisions are required based on SAO review, the Contractor's cost to revise the deliverables will not be billable to the work-order under this contract.

- Supporting documentation for audit conclusions has a "reliability hierarchy[3]." The amount of documentation needed to support a conclusion varies depending on the source of the information. For example, support from an independent third-party is considered the most reliable and generally requires no or minimal corroborating evidence; conclusions cannot be based solely on a single interview as assertions made during the interview require appropriate corroborating evidence in order to be considered sufficient evidence.

- After consulting with SAO, the contractor will be asked to finalize its work papers and include a preliminary statement on each utility's compliance with the Act's target setting requirements. SAO will discuss preliminary conclusions with the contractor and vet compliance conclusions with each utility before the deliverable is considered final. The contractor may be asked to update work that does not address a particular concern raised by the utility. Note that a utility can be in compliance with the Act but still have room for improvement. If areas for improvement are noted, the contractor should include a description of the issue and recommendation in the documentation along with statements regarding the assessed level of significance.

[3] http://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00326.pdf

SAO operates under a "no surprise" policy, meaning the contractor must keep SAO informed of what they find throughout the engagement, including communicating if suspected internal fraud occurred.

Travel will not be necessary. We routinely ask each qualifying utility to transmit electronic documents using our secure file transfer protocol (ftp) to inform the engagement, and to facilitate and participate in phone or web-based teleconferences to answer questions, or provide explanations/clarifications with SAO and the contractor as needed. On occasion, we may need a qualifying utility to request its consultant attend a meeting to answer questions. In those cases, SAO will work directly with the qualifying utility to arrange such a meeting. Under no circumstance will SAO contact a qualifying utility's consultant without the express written consent of the utility. . The contractor will submit to SAO using SAO's secure ftp all questions, requests for clarification or additional support, or preliminary conclusions for utility review and feedback. SAO will promptly review and transmit the contractor's questions and requests to the qualifying utilities via ftp, and will work with the contractor and the utilities to schedule phone or web-based meetings as needed.

The engagement will be overseen by either the Program Manager or an SAO Subject Matter Expert. More details about our expectations follow, and additional information about work paper expectations is included in **Chapter 3**, Section IV-C of this document.

We require all contractor documentation and deliverables related to each assigned qualifying consumer-owned utility's compliance with the Act's energy conservation target requirements for the 2020-2021 and 2022-2023 compliance periods to be complete and approved by SAO by **December 31, 2021 and December 31, 2023,** respectively.

Coordination and Scheduling

All audit work will be conducted in coordination with SAO. The successful firm/subject matter expert must have the flexibility to accommodate utility availability and variances in work load throughout the contract. Effective communication and project management skills are critical. Subject matter experts may experience occasional gaps or pauses in the workflow as utilities work to respond to submitted questions or requests for additional information. SAO will work to maintain a smooth, continuous workflow, but cannot guarantee gaps or pauses will not occur.

Proposals

Bidders will review the proposal section in **Chapter 3** to understand and respond to all elements of the RFQQ. We have provided information in **Exhibit F** to be used in developing proposals. Proposers may use this information to help prepare their proposals, but are not limited in gathering additional information or asking questions they deem useful and pertinent.

All work under any contract issued as a result of this RFQQ will be initiated by a signed Work Order. Work Orders may be issued to address work to be performed across all utilities, or may also be issued to address circumstances unique to a particular utility or group of utilities. Bidders will submit a not-to-exceed hourly rate which excludes travel.

SAO expects the work under the contract will be performed remotely, and will not require onsite visits. In the rare event a utility cannot provide the supporting information electronically or through the U.S. Postal Service, travel may be required. SAO will negotiate and obtain utility approval for any necessary travel based on the contractor's travel budget submitted to the SAO for review and pre-approval.

If necessary, the SAO may amend any contract issued under this RFQQ for an additional three year period. Before starting any additional phase, the SAO will define the scope of work and deliverables, and request a bid from the contractor. Once we receive the additional phase bid, we will decide whether to exercise the option.

Other Approaches

The proposer may present creative approaches that are likely to improve the outcome and efficiency of the work under this RFQQ. If approaches different than those presented in **Chapter 1.1.C** are proposed, bidders should submit them in a separate proposal. Proposals presenting creative approaches must adhere to all proposal submission requirements.

D. MINIMUM QUALIFICATIONS

The following minimum qualifications are intended to ensure the proposer is independent and has the necessary experience and expertise:

- The proposer must be independent from the audited entities as discussed in **Chapter 2.9** of this RFQQ.
- The proposer, if awarded the contract, must have or will obtain all necessary licenses to do business in the State of Washington. Refer to this link for guidance: http://bls.dor.wa.gov/licensing.aspx
- The proposer must demonstrate successful experience preparing energy conservation potential assessments, preferably demonstrating familiarity with the methodologies used by the Council in its Power Plans.
- The proposer must demonstrate that the staff assigned to perform the work collectively possess:

  a. Experience with and in-depth knowledge preparing or verifying energy conservation potential assessments, especially with the total resource cost (TRC) tests and benefit/cost assessments, and preferably demonstrating experience with:

     i. Market assessment/characterization,

     ii. Sampling and statistical analysis, including regression model evaluation, iii. Assessing non-energy impacts,

     iv. Federal standards and WA state codes,

     v. Utility energy efficiency strategic planning,

     vi. Process and impact evaluation of energy efficiency programs,

     vii. Measurement and verification protocols (IPMVP)

  b. Knowledge of the types of conservation programs common to different regions in Washington State.

- The proposer must be aware of and comply with the Washington State Ethics in Public Service laws and rules. Refer to Revised Code of Washington Chapter 42.52 and Washington Administrative Code Chapter 292, http://apps.leg.wa.gov/rcw/default.aspx?Cite=42. 52.

A proposer who does not meet these minimum qualifications will be deemed nonresponsive and their proposal will not receive further consideration.

E. PERIOD OF PERFORMANCE

The period of performance will be January 1, 2021 through December 31, 2023.

Any contract resulting from this RFQQ will address qualifying, consumer-owned utility energy conservation targets for the 2020-2021 and 2022 - 2023 compliance periods, tentatively scheduled to begin on or about **January 1, 2021**, through **December 31, 2021 and January 1, 2023 through December 31, 2023, respectively**. Adjustments to this proposed schedule can be negotiated during the contract term, subject to the approval by the affected utilities. Task Orders will be issued for each compliance period. See **Exhibit H** for example.

Amendments extending the period of performance, if any, will be at the sole discretion of the State Auditor's Office. The State Auditor's Office reserves the right, at its discretion, to extend the contract for up to an additional three year period. Contract extensions may include extending the number of utilities covered under this contract, as well as, changes to the total contract value.

2. STANDARD DEFINITIONS

Additional definitions can be found in Revised Code of Washington Chapter 39.26, http://apps.leg.wa.gov/rcw/default.aspx?Cite=39.26.

A. AUDITED ENTITY

The audited entities are the public utility districts and municipal utilities as discussed in **Chapter 1.B & 1.C** of this RFQQ.

B. AUDIT MANAGER / PROGRAM MANAGER

The State Auditor's Office employee or their delegate assigned to review the work and coordinate with the contractor.

C. CONTRACT

Refers to the legally enforceable agreement between the State Auditor's Office and contractor.

D. CONTRACTOR

The firm, provider, organization, individual or other entity, including subcontractors, performing service(s) under this contract, and shall include all personnel of the contractor.

E. CONTRACTOR'S REPRESENTATIVE

An individual designated by the proposer or contractor to act on its behalf and with the authority to legally bind the proposer or contractor concerning the terms and conditions set forth in the solicitation and contract documents.

F. GAO

United States Government Accountability Office.

G. GOVERNMENT AUDITING STANDARDS

This refers to standards established for audits of government organizations, programs, activities, and functions, and of government assistance received by contractors, nonprofit organizations, and other

nongovernmental organizations. These standards, often referred to as Generally Accepted Government Auditing Standards (GAGAS) or the Yellow Book, are to be followed by auditors and audit organizations when required by law, regulation, agreement, contract, or policy. These standards pertain to auditors' professional qualifications, the quality of audit effort, and the characteristics of professional and meaningful audit reports. For this engagement, the State Auditor's Office is responsible for ensuring that Yellow Book auditing standards are met. However, the contractor is responsible for ensuring that the audit work is planned, carried out, documented, and reported on to meet the guidance and requirements specified in this RFQQ.

Government Auditing Standards can be accessed at: http://www.gao.gov/yellowbook

H. ATTESTATION EXAMINATION

An Attestation Examination is defined in the Government Auditing Standards. All references in this RFQQ to the term "audit" will be understood to mean an attestation examination.

I. PROPOSAL

A written offer submitted in response to this solicitation.

J. PROPOSER

An individual or organization submitting a proposal in response to this solicitation.

K. RCW

The Revised Code of Washington (laws of Washington State).

L. SAMPLE REPORTS & WORK PAPERS

Final reports and supporting write-ups that underly the final reports. All documents submitted need to be sufficiently cleansed so as not to reveal proprietary data.

M. SOLICITATION COORDINATOR

An individual designated by the State Auditor's Office to act on behalf of the state to administer the solicitation process.

N. STATE AUDITOR'S OFFICE

The State Auditor's Office shall mean any division, section, office, unit or other entity of the State Auditor's Office, or any of the officers or other officials lawfully representing the State Auditor's Office.

O. SUBCONTRACTOR

An individual or firm not in the employment of the contractor, who is performing all or part of the services under this contract under a separate contract with the contractor. The terms "subcontractor" and "subcontractors" mean subcontractors(s) in any tier.

P. WAC

Washington Administrative Code. The administrative rules developed by the Washington Department of Commerce under WAC 194-37 are recognized as requirements of the Energy Independence Act.

Q. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS)

An Internet vendor registration and bid notification system. The system offers one online site where vendors should register to receive State Auditor's Office and other governmental bid notifications.

R. YELLOW BOOK

Government Auditing Standards, 2018 Revision, GAO-18-568G, or current version.

CHAPTER 2 - STANDARD INSTRUCTIONS TO PROPOSERS

This section contains instructions regarding the preparation and submission of proposals.

1. SOLICITATION COORDINATOR

The Solicitation Coordinator is the sole point of contact at the State Auditor's Office for this procurement. All communication between the proposer and the State Auditor's Office will be with the Solicitation Coordinator, as follows:

Charleen Patten
Washington State Auditor's Office
3200 Sunset Way SE
P.O. Box 40031
Olympia WA 98504-0031

Physical Address for Hand Delivery or Courier Service:

Washington State Auditor's Office
3200 Sunset Way SE
Olympia WA 98504-0022

Telephone Number: (564) 999-0941

E-mail Address: contractmanager@sao.wa.gov

Any other communication will be considered unofficial and nonbinding on the State Auditor's Office. Proposers are to rely only on written statements issued by the Solicitation Coordinator. Communication directed to parties other than the Solicitation Coordinator may result in disqualification of the proposer.

2. PROPOSER'S RESPONSIBILITIES

A. Read and understand the solicitation document and all attachments and exhibits.

B. Seek clarifications if necessary.

C. Become familiar with and abide by applicable federal laws and Washington State statutes and regulations.

D. Proposers interested in participating in the preproposal teleconference on **September 9, 2020** (see schedule below), must call (360) 407-3780 prior to 11:00 a.m. local time in Olympia, Washington. The PIN code is **276899#**.

3. SCHEDULE OF PROCUREMENT ACTIVITIES (Estimated)

Event	Local Time in Olympia, Washington	Date
Issue Request for Quotations and Qualifications	5:00 pm	September 2, 2020
Preproposal Teleconference (highly recommended but not required).	11:00 am	September 9, 2020
Last date for questions regarding solicitation.	5:00 pm	September 11, 2020
Issue addendum to RFQQ (if applicable)	5:00 pm	September 15, 2020
Last date for complaints regarding solicitation	5:00 pm	September 25, 2020
Issue addendum to RFQQ (if applicable)	5:00 pm	September 29, 2020
Proposals due	2:00 pm	September 30, 2020
Begin Proposal Evaluation	5:00 pm	October 5, 2020
Conduct oral interviews with finalists, if required.	TBD	October 15, 2020
Announce "Apparent Successful Contractor" and send notification via e-mail to unsuccessful proposers.	TBD	October 16, 2020
Hold debriefing conferences (as required)	TBD	October 19, 2020
Begin contract work	TBD	Estimate: January 1, 2021

THE STATE AUDITOR'S OFFICE RESERVES THE RIGHT TO REVISE THIS SCHEDULE

4. VENDOR QUESTIONS AND ANSWERS

Specific questions concerning this solicitation must be submitted in writing (phone calls will not be accepted) to the Solicitation Coordinator at the address specified in **Chapter 2.1** of this solicitation. E-mail submission of questions is acceptable. The Solicitation Coordinator must receive questions no later than the time and date specified in **Chapter 2.3** titled ***"Schedule of Procurement Activities."***

5. COMPLAINT PROCEDURE AND FORMAT

Complaints concerning this solicitation must be submitted in writing (phone calls will not be accepted) to the Solicitation Coordinator at the address specified in **Chapter 2.1** of this solicitation. E-mail submission of complaints is acceptable. The Solicitation Coordinator must receive complaints no later than the time and date specified in **Chapter 2.3** titled ***"Schedule of Procurement Activities."***

Proposers submitting complaints will follow the procedures described below. Complaints that do not follow these procedures will not be considered. This complaint procedure constitutes the sole administrative remedy available to proposers under this procurement.

All complaints must be in writing and signed by the complaining party or an authorized agent. The complaint must state the grounds for the complaints with specific facts and complete statements of the action(s) being complained. A description of the relief or corrective action being requested should also be included. All complaints will be addressed to the Solicitation Coordinator.

Only complaints stipulating an issue of fact concerning the following subjects will be considered:

a) The solicitation unnecessarily restricts competition;

b) The solicitation evaluation or scoring process is unfair or flawed; or

c) The solicitation requirements are inadequate or insufficient to prepare a response.

Upon receipt of a complaint, the State Auditor's Office will review and respond within 3 business days. The response will be posted on WEBS. The agency head will be notified of all complaints and be provided a copy of the agency's response. The complaint may not be raised again during the protest period. There is no appeal process for complaints.

6. REQUIRED REGISTRATION (WEBS)

This solicitation will be issued via Washington's Electronic Business Solution (WEBS). Proposers are required to register in WEBS http://des.wa.gov/Pages/default.aspx/. In WEBS, the RFQQ can be located under the following commodity codes:

958-25 Conservation/Resource/Management Services

910-16 Energy Conservation Services (Including Audits)

918-32 Consulting Services (Not Otherwise Classified)

918-41 Energy Conservation Consulting

918-58 Government Consulting

918-97 Utilities: Gas, Water, Electric Consulting

961-31 Energy Comprehensive Performance Services

958-39 Financial Management Services

Downloading the solicitation from WEBS ensures any communications and addenda issued in reference to this solicitation are received by proposers planning to respond with a proposal. It is the proposer's responsibility to check WEBS for addenda or modifications prior to submitting their proposal. The State and the State Auditor's Office accept no liability and will provide no accommodation to proposers who fail to check for addenda and submit inadequate or incorrect responses. Proposers should contact WEBS Customer Service (360) 902-7400 (webscustomerservice@des.wa.gov) with any WEBS questions.

7. AMENDMENT TO THE SOLICITATION

In the event that it becomes necessary to revise any part of this solicitation, an amendment will be issued via WEBS. Questions and answers that are submitted to the Solicitation Coordinator and other pertinent information will be provided as an addendum to the solicitation.

State Auditor's Office reserves the right to cancel or to reissue the solicitation in whole or in part, prior to execution of a contract.

If a conflict exists between addenda, amendments, or between an amendment and the solicitation, the document issued last will take precedence.

8. MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, the State of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of minority and women business enterprises' participation will be required as a condition for receiving an award, and proposals will not be rejected or considered nonresponsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

The established annual procurement participation goals for this type of project are ten percent for minority business enterprises and four percent for women business enterprises. These goals are voluntary. Proposers may contact OMWBE at (360) 664-9750 for more information. Information on OMWBE can also be accessed at: www.omwbe.wa.gov

9. GENERAL STANDARDS FOR INDEPENDENCE AND IMPAIRMENTS (REFERENCE Yellow Book)

All properly submitted proposals will be screened for compliance with Government Auditing Standards, General Standards for Independence. The Government Auditing Standards, Section 3.18, requires:

> *"In all matters relating to the GAGAS engagement, auditors and audit organizations must be independent from an audited entity."*

As part of their response to this solicitation, proposers are required to identify non-audit services (defined in Government Auditing Standards, sections 3.85 – 3.106) let and/or performed within the last four years on behalf of all in-scope entities subject to SAO compliance examinations, as listed in the scope description of the RFQQ. Proposers will include a list as part of **Exhibit A. Certifications and Assurances**. This includes any subcontractors that may be employed by the proposer in performance of the contract. If no such services were performed for the audit entity, proposers will so indicate in **Exhibit A. Certifications and Assurances**. Failure of proposers to so identify non-audit services performed on behalf of the audited entity as specified in this section will be deemed nonresponsive and their bids will be rejected. If the State Auditor's Office learns of such non-audit services subsequent to awarding the contract, and those non-audit services were not disclosed to the State Auditor's Office by the proposer, the State Auditor's Office may choose not to pay the proposer for work performed under the contract.

10. PROPRIETARY INFORMATION - PUBLIC DISCLOSURE

Materials submitted in response to this solicitation will become the property of the State Auditor's Office.

Bid submissions and bid evaluations are exempt from disclosure until the agency announces the apparent successful bidder. Thereafter, the proposals may be subject to disclosure pursuant to RCW 42.56, the Public Records Act.

A. RCW 42.56, Public records: http://apps.leg.wa.gov/rcw/default.aspx?Cite=42.56

B. Washington Governor's Executive Order 16-01, issued January 5, 2016, Privacy Protection and Transparency in State Government: http://www.governor.wa.gov/sites/default/files/exe_order/eo_16-01.pdf

Bidders are discouraged from submitting proprietary information in their proposal. Any information in the proposal which the proposer desires to claim as proprietary and exempt from public disclosure under the provisions of RCW 42.56 must be clearly designated in its proposal. The proprietary information must be marked with the words "Proprietary Data" along with a statement of the basis for such claim of exemption.

The State Auditor's Office will consider a proposer's request for exemption from disclosure; however, the State Auditor's Office will make the decision predicated upon RCW 42.56. Marking the entire proposal exempt from disclosure will not be honored. The proposer must be reasonable in designating information as proprietary. If any information is marked proprietary in the proposal, the State Auditor's Office's responsibility to notify will be limited to request(s) for disclosure made within a period of five years from the date of award.

If any information or materials that the proposer has marked as "Proprietary Data" are the subject of a public disclosure request, the State Auditor's Office's only obligation will be to notify the proposer that the request has been made and provide the proposer an opportunity to seek a court injunction against the requested disclosure. The proposer will have five (5) business days to respond to the State Auditor's Office's notice with its intent to seek a court injunction against the requested disclosure. If the State Auditor's Office receives no response from the proposer within the timeframe specified in this section, the materials and information will be released consistent with the State Auditor's Office policies and procedures under State law.

All requests for copies of contract files should be PublicRecords@sao.wa.gov.

11. PREPARATION AND SUBMISSION OF PROPOSAL

A. ***Due Date and Time:***

Proposers may submit proposals via email. The proposal, whether emailed, mailed or hand delivered, must be received by the State Auditor's Office no later than the date and time specified in the schedule of procurement activities (see **Chapter 2.3**). All times are considered local time for Olympia, Washington. The envelope should be clearly marked to the attention of the Solicitation Coordinator, who is the State Auditor's Office's sole point of contact for this procurement.

Late proposals will not be accepted and will be automatically disqualified from further consideration. Postmarks will not be accepted. Proposers who mail proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the Solicitation Coordinator. Proposers who are hand delivering proposals should allow time for traffic congestion. Proposers assume all risk for the method of delivery chosen. The State Auditor's Office assumes no responsibility for delays caused by any delivery service. The proposals must respond to the procurement requirements. Do not respond by referring to material presented elsewhere. The proposal must be complete and must stand on its own merits.

B. ***Format:*** To receive consideration, proposals must conform to the format specified by the State Auditor's Office. Hardcopy proposals must be legible and be filled out in ink or with an electronic printer or other similar office equipment and properly signed by an authorized representative of the proposer. Electronic signatures will be accepted. The cover page will show the proposal number, title of the procurement and

submission date. Each section will be clearly labeled and separated (with tabs if printed). All changes and/or erasures will be initialed in ink. Unsigned proposals will be rejected.

The electronic version of the proposal must be submitted in Word, Excel or PDF format. No proposals will be accepted via fax. **Email submissions must not exceed 10MB. If necessary proposers should submit proposals in more than one email.**

Proposal must be organized in sections (See **Chapter 3** for subheadings and explanations for each section):

1. Letter of Submittal (Pass/Fail)
2. Project Management
3. Qualifications and Experience
4. Technical Proposal
5. Cost (Hourly Rate) Proposal
6. Signed Hourly Rate Certification (Exhibit C) (Pass/Fail)
7. Procurement Evaluation for Executive Order 18-03 Certification Form (MR)
8. Customer References (Pass/Fail)
9. Resumes (Pass/Fail)
10. Signed Certification and Assurances (Exhibit A) (Pass/Fail)
11. Work Sample (MR) (Pass/Fail)

Proposals will be prepared as instructed and delivered in the order given above (see **Exhibit E, Requirements Checklist**). Proposers will title and number each item in the same way it appears in each section of **Chapter 3** of this RFQQ.

The letter of submittal, project management, technical proposal and cost proposal sections will not exceed 25 combined total pages.

The following are not included in the 25-page limit: Signed Hour Rate Certification, Procurement Evaluation for Executive Order 18-03, Customer References, Team Member Résumés, Signed Certification and Assurances (Exhibit A) and Work Samples.

C. Identification: Proposals must be submitted in a sealed envelope or email attachment to the addressed as shown below:

Proposer's Return Address Solicitation Number: K633-RFQQ-1911 Solicitation Coordinator: Charleen Patten	State Auditor's Office 3200 Sunset Way SE Mail Stop 40031 Olympia WA 98504-0031

Late proposals will not be accepted and will be automatically disqualified from further consideration. The proposals must respond to the procurement requirements. Failure to respond to any portion of the procurement document may result in rejection of the proposal as nonresponsive. All proposals and any accompanying documentation become the property of the State Auditor's Office and will not be returned.

12. CONTRACT AND GENERAL TERMS & CONDITIONS

The apparent successful proposer will be expected to enter into a contract that is substantially the same as **Exhibit B**. **In no event is a proposer to submit its own standard contract terms and conditions in response to this solicitation.** Proposers may submit exceptions as allowed in **Exhibit A, Certifications and Assurances**; however, exceptions must be limited to terms that would prevent the proposer from contracting with the State Auditor's Office. The State Auditor's Office will review requested exceptions and accept or reject the same at its sole discretion.

13. COSTS TO PROPOSE

The State Auditor's Office will not be liable for any costs incurred by the proposer in preparation of a proposal submitted in response to this solicitation, in conducting a presentation, or any other activities related to responding to this solicitation.

14. ERRORS AND OMISSIONS IN PROPOSAL

The State Auditor's Office will not be liable for any errors or omissions in proposals. Proposers will not be allowed to alter or supplement their proposal documents after the proposal due date.

15. NO OBLIGATION TO CONTRACT

This RFQQ does not obligate the State of Washington or the State Auditor's Office to contract for services specified herein.

16. SIGNATURES

The ***Letter of Submittal***, the ***Certifications and Assurances Form (Exhibit A***), the ***Hourly Rate Certification Form (Exhibit C)*** and the ***Procurement Evaluation for Executive Order 18-03 Certification Form (Exhibit G)*** must be signed and dated by a person authorized to legally bind the proposer contractually, e.g., the president or chief executive officer if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship.

17. RESPONSIVENESS

All proposals will be reviewed by the Solicitation Coordinator to determine compliance with administrative requirements and instructions specified in this solicitation. Failure to comply with any part of the solicitation may result in rejection of the proposal as nonresponsive.

The State Auditor's Office reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this solicitation. The State Auditor's Office also reserves the right, however, at its sole discretion, to waive minor irregularities.

18. PROPOSAL REJECTION

Solely, the State Auditor's Office will make a determination of clarity and completeness in the responses to any of the provisions in this solicitation. The State Auditor's Office reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this solicitation. The State Auditor's Office also reserves the right, however, at its sole discretion, to waive minor irregularities.

Proposers are specifically notified that failure to comply with any part of the solicitation may result in rejection of the proposal as nonresponsive.

19. FAILURE TO COMPLY

The proposer must provide a response to all sections specified as mandatory requirement (MR) or Pass/Fail. Failure to comply with any part of the state auditor's office's request for proposal may result in the firm's proposal being disqualified (and not scored) for being nonresponsive to the State Auditor's Office's request.

20. ACCEPTANCE PERIOD

Proposals will provide 90 days from the due date for receipt of proposals for acceptance by the State Auditor's Office.

21. CONTRACT FORMATION

A submitted proposal is an offer to contract with the State. A proposal becomes a contract when officially accepted in writing by the State. All proposals submitted become the property of the State and the State Auditor's Office and shall remain confidential until the contract, if any, resulting from this RFQQ is signed by the State Auditor's Office and the apparent successful contractor; thereafter, the proposals shall be deemed public records as defined in RCW 42.56.

22. MOST FAVORABLE TERMS

The State Auditor's Office reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that can be proposed. There will be no best and final offer procedure. The State Auditor's Office does reserve the right to contact a proposer for clarification of its proposal during the evaluation process. In addition, the State Auditor's Office

reserves the right to enter into contract negotiations with the apparent successful proposer, which may include discussion regarding the terms of the proposal. Contract negotiations may result in incorporation of some, or all, of the proposal. The proposer should be prepared to accept this solicitation for incorporation into a contract resulting from this solicitation. It is also understood that the proposal will become part of the official procurement file.

23. AWARD

Upon award, notification will be sent by the Solicitation Coordinator in writing via e-mail to all participating proposers. Additional information may be obtained by reviewing the purchase/contract file after award. Award results will not be given over the phone.

24. INSURANCE COVERAGE

The successful proposer will provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State Auditor's Office should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the contractor or subcontractor, or agents of either, while performing under the terms of this contract. The contractor will submit to the State Auditor's Office, within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits defined in the Insurance section. The contractor will submit renewal certificates as appropriate during the term of the contract.

The contractor will provide insurance coverage, which will be maintained in full force and effect during the term of this contract, as follows:

A. ***Commercial General Liability (CGL) Insurance Policy:*** Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity, but no less than $1,000,000 per occurrence. Additionally, the contractor is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

B. ***Automobile Liability:*** In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or not owned by the contractor, automobile liability insurance will be required. The minimum limit for automobile liability is: $1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

C. ***Professional Liability:*** When available, coverages with limits of not less than $1,000,000 for any one occurrence.

D. ***Workers' Compensation Coverage:*** Workers' compensation coverage with Washington statutory limits and employer's liability coverage of not less than $500,000 for employer's liability. The contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes and regulations to the full extent applicable. The State will not be held responsible in any way for claims filed by the contractor or its employees for services performed under the terms of the contract.

E. ***Employer's Liability ("Stop Gap") Insurance:*** In addition, the contractor will buy employer's liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than

$1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease. Employer's Liability ("Stop Gap") Insurance is intended to cover gaps between Workers'

Compensation and CGL insurance.

F. Additional Provisions:

1. ***Additional Insured:*** The insurance required will be issued by an insurance company/ies authorized to do business within the State of Washington, and will name the State of Washington, its agents and employees as additional insureds under the insurance policy/ies. All policies will be primary to any other valid and collectable insurance.

2. ***Cancellation:*** The State of Washington, State Auditor's Office, will be provided 30 calendar days' written notice before cancellation or nonrenewal of any insurance referred to herein. The contractor will instruct the insurers to give the State Auditor's Office 30 calendar days' advance notice of any insurance cancellation or nonrenewal action.

3. ***Identification:*** Policy must reference the State's contract number and the State Auditor's Office.

4. ***Insurance Carrier Rating:*** All insurance and bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception will be reviewed and approved by the State Auditor's Office's Risk Manager or the Risk Manager of the Department of Enterprise Services before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and WAC 284-15.

5. ***Excess Coverage:*** By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect the contractor, and such coverages and limits will not limit contractor's liability under the indemnities and reimbursements granted to the State in this contract.

25. COMMITMENT OF FUNDS

The State Auditor or his delegates are the only individuals who may legally commit to the expenditures of funds or approve payment terms for work delivered under a contract resulting from this solicitation.

CHAPTER 3 - PROPOSAL SECTIONS

This chapter contains instructions regarding the preparation and submission of proposals. The proposer must provide all information requested in the exact order specified below. **Exhibit E** (Requirements Checklist) is provided for the proposer's convenience in providing the following information.

Proposers should anticipate that the Technical and Cost proposal sections of the winning proposal will be incorporated into a "Performance Statement of Work" and attached to any resulting contract.

SECTION I - LETTER OF SUBMITTAL – MANDATORY REQUIRED (MR) / (PASS/FAIL)

A. ORGANIZATION SUMMARY (MR)

The proposer must provide a summary of the organization/firm's pertinent expertise, skills, client base and services that are available for this project.

B. BUSINESS IDENTIFICATION (MR)

The proposers must provide an overview of their firm/organization, including, but not limited to the following:

A. Organization/firm's name, address and main business location

B. The location of the facility from which the proposer would operate, including the telephone number, fax number, and e-mail address

C. Organization/firm's start-up date.

C. COMPANY OFFICERS (MR)

The proposer must provide the names, addresses, and telephone numbers of principal officers (President, Vice-President, Treasurer, Chairperson of the Board of Directors, etc.).

D. PRIMARY CONTACT (MR)

The proposer must include who within the firm/organization will have prime responsibility and final authority for the work under the proposed contract. Include the following:

A. Name

B. Title or position

C. Address

D. E-mail address

E. Telephone and fax numbers.

E. LEGAL STATUS (MR)

The proposer must specify the legal status of the organization/firm (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now exists.

F. PREVIOUS STATE CONTRACTS (MR)

If the proposer's organization/firm, any subcontractor, or any other party named previously contracted with the State of Washington during the past 48 months, indicate the name of the state agency or the audited entity and the contract number, and describe the work and/or provide other information available to identify the contract.

G. FORMER EMPLOYEE STATUS (MR)

If any employee of the proposer or subcontractor was an employee of the State of Washington or audited entity during the **past 24 months**, or is now an employee of the State of Washington or audited entity, identify the individual by name, state agency previously or currently employed by, job title or position held, and separation date.

H. OMWBE STATUS (MR)

Minority and women-owned businesses are encouraged to participate. Please identify if the contractor or any subcontractors are a minority and women-owned business. Please provide the OMWBE certification number.

I. CONTRACT TERMINATIONS (MR)

If the proposer has had a contract terminated for default in the **past five years**, describe such incident. Termination for default is defined as notice to stop performance due to the proposer's nonperformance or poor performance. Issue of performance may have been:

a. Not litigated due to inaction on the part of the proposer, or

b. Litigated and such litigation determined that the proposer was in default.

Proposers will submit full details of the terms for default. Proposers will identify the other party, its name, address, and phone number, and present the proposer's position on the matter. The State Auditor's Office will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience.

If the proposer has experienced no such termination for default in the **past five years**, so indicate.

J. TAX INFORMATION (MR)

The proposer must provide its Federal Employer Tax Identification number and the Washington Uniform Business Identification (UBI) number issued by the State of Washington Department of Revenue.

K. SUBCONTRACTOR QUALIFICATIONS (MR)

For each subcontractor, the proposer must address the submittal questions set forth in A – C and E – I above.

The proposer must include a statement that if awarded the contract as the primary contractor, the proposer will accept full responsibility for successful performance of the entire scope of work.

L. STATEMENT OF ACCEPTANCE OF TECHNICAL REQUIREMENTS (MR)

The Letter of Submittal will include a statement that the proposer accepts all of the elements and requirements identified in Section III, Technical Proposal, and be signed by the principal, partner or appropriate obligating authority.

M. COMPLIANCE WITH INSURANCE REQUIREMENTS (MR)

Each proposer must indicate in the Letter of Submittal and, as a condition of contract award that it will submit to the State Auditor's Office within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits as defined in the Insurance section.

SECTION II - PROJECT MANAGEMENT (MR)

PROPOSER'S PROJECT ORGANIZATION (MR)

Proposals will be evaluated with consideration given to a strong project organization. It will be essential that team members are committed to the work during their period of participation and that reporting lines are clear. The proposer must designate a lead individual who the State Auditor's Office management can successfully work with to resolve any problems, issues, or concerns.

A. Organization (MR)

The proposer will provide a project organizational chart indicating lines of authority for all key personnel (including subcontractors) who will be involved in the performance of the potential contract. The proposer's organization must have appropriate internal controls and is responsible to insure appropriate internal controls are maintained by any subcontractor(s). Indicate any other work responsibilities, beyond this contract, that would be required of the assigned key staff. The project organization chart will also show lines of authority to the next senior level of management. On the organization chart, proposers should clearly identify the lead individual who will be assigned to work directly with the State Auditor's Office management.

B. Project Management (MR)

Project Team Structure/Internal Controls - Provide a description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Include who within the firm will have prime responsibility and final authority for the work.

Project Manager's Assignment - As a requirement of contract performance, the State Auditor's Office requires the proposer to provide appropriate leadership, management skills, authority, and resources to guide this project. The assignment of a skilled project manager will play a large role in fulfilling the requirement.

The proposer must provide a résumé for the project manager (to be included in Section VII) and include information on the individual's specific skills related to this project, education, experience, significant accomplishments and responsibilities assumed on other similar projects.

Proposer agrees that the Project Manager, as with other key staff and subcontractors identified in this proposal, will be assigned for the duration of the project. Substitutions of project personnel must be approved in writing by the State Auditor's Office in advance of the performance of any work.

SECTION III – Qualifications & Experience (MR)

Staff Qualifications & Experience – Identify key staff, including subcontractors, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to the project. Provide résumés (in Section VII) for the named staff, which include information on the individual's particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Contractor must commit that key staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State Auditor's Office.

The contractor should have specific expertise available for this examination, and the proposal should be clear about which areas of expertise are available and by whom. Some of the suggested areas are:

- Modeling capabilities; please provide information on software and/or tools used to model conservation potential.
- Fully knowledgeable in energy efficiency measures as evidenced by experience verifying and/or preparing diverse and complicated energy conservation potential assessments for electric utilities. Include information on the resulting assessments' conservation budget.

  - Elaborate on experience verifying or preparing assessments which included multi-faceted scenarios based on varying economic outlooks.
  - Elaborate on experience verifying or preparing assessments which included results from customer surveys.
  - Elaborate on experience auditing or preparing assessments for utilities with primarily urban and/or rural and/or agricultural communities.
  - Elaborate on experience auditing or preparing assessments for utilities with primarily commercial and/or industrial sectors.
- Experience and knowledge of the methodologies used in the Pacific Northwest Power Planning Council's 7th Power Plan.
- Experience and knowledge of conservation practices common in the Pacific Northwest.
- An understanding of the key differences between preparing a conservation potential assessment and verifying the accuracy of a conservation potential assessment.

The minimum qualifications, **Chapter 1-D** and Staff Qualifications must be met by the proposer; however, this can be achieved through the use of subcontractors. The minimum qualifications and staff qualifications are applicable to the team in its entirety, not to any individual within the team.

A. Proposer's Recent and Relevant Experiences (MR)

Proposers must provide:

1. Samples of final reports **and** supporting documentation or other work conducted within the last five years that demonstrates your firm's capability to successfully perform these services. Reports should be sufficiently cleansed so as not to reveal proprietary data.

2. A brief statement of recent and relevant experience (past five years) preparing conservation potential assessments and/or work verifying conservation potential assessments at electric utilities, and other experience that will assist in the performance of this audit.

3. Proposer must provide a matrix that clearly identifies how the individuals assigned to the project will collectively meet the experience and expertise requirements outlined above.

Failure to demonstrate to the State Auditor's Office's satisfaction that the proposer meets the minimum experience requirements stated and/or failure to provide examples required above may result in the firm's proposal being disqualified (and not scored).

SECTION IV - TECHNICAL PROPOSAL (MR)

A. OVERVIEW

The Technical Proposal will assume all thirteen utility targets for just 2020-2021 will be examined. The Technical Proposal will propose staffing (number of utilities per consultant), the rationale for staff assignments to particular utilities, estimated completion dates for each of the four listed objectives, and describe key assumptions and methodologies inherent in achieving each estimated completion date. The proposal must address all objectives contained in **Chapter 1.1.C.** In addition, specific to Objective No. 4, identify two or three key assumptions used in the development of utility targets in order to demonstrate the consultant's familiarity with and ability to suggest alternate audit procedures when key assumptions vary between the utilities.

The Proposers shall review the Background Information in **Chapter 1** and Exhibit F as they complete the Statement of Work to show how they will address the examination objectives.

The Technical Proposal must contain a comprehensive description of services including the following elements:

- **Work Plan (MR) –** Include all project requirements and the proposed tasks, services, activities, etc. necessary to accomplish the scope and objectives of the project defined in this RFQQ. This section of the technical proposal must contain sufficient detail to convey to members of the evaluation team the proposer's knowledge of the subjects, staff availability, and skills necessary to successfully complete the project. Include any required involvement of State Auditor's Office staff.
- **Project Schedule (MR) –** Include a project schedule indicating when the elements of the work will be completed and when deliverables will be provided. Bidders will consider that clarifying follow-up support may be required.
- **Deliverables (MR) –** Fully describe content and format of deliverables to be submitted under the proposed contract.

B. DELIVERABLES

The deliverables under this RFQQ are:

1. Kick-off Meeting

The lead contractor will meet with the SAO management team to discuss the approach to the examination, clarify roles and expectations, and discuss any other questions or concerns the contractor may have. Other team members may attend by phone. To the extent travel becomes absolutely necessary, SAO will reimburse actual travel costs, for one individual, up to the amounts allowed by current Washington state per diems[4].

2. Work papers supporting Fieldwork Activities and Preliminary Conclusions

The contractor will submit to SAO a memorandum and supporting work papers for its review of each utility as they are being completed demonstrating the consultant's work performed was consistent with the risk areas discussed during planning, and preliminary conclusions based on the work performed. The Contractor will submit work papers at the conclusion of its review of a scheduled utility in order to ensure timely SAO review and feedback to the contractor and to successfully meet timeline estimates or make adjustments to the schedule as needed.

The contractor will document in its work papers all procedures performed and the type of support reviewed, with references, and the contractor's conclusion on utility compliance with each of the Act's required methods. If recommendations for improvement are noted, these should be included in the work paper. The contractor's work paper layout should be professional and consistent between utilities. The Contractor's work papers should follow the State's "Plain Talk" standards, as described in the Governor's Executive Order 05-03.

Once approved, the SAO will incorporate the Contractors work and conclusions into the examination work papers and prepare final communication to the Utility. During this process, SAO may consult with the Contractor to obtain clarification for accuracy. This deliverable is considered complete after SAO has reviewed the consultant's work papers and the consultant has addressed any SAO review comments and requests for clarification.

3. Weekly updates and time tracking

The contractor will provide weekly status updates, by phone/web-based platform, to the SAO program manager and/or SAO Subject Matter Expert to discuss the project schedule, work in progress, and any

[4] https://ofm.wa.gov/sites/default/files/public/resources/travel/colormap.pdf

issues in development. The SAO operates under a "no surprise" policy and will inquire of utilities to ensure we consider all information the utility would like to submit to evaluate the area in question.

The weekly updates must include a brief written summary of the work completed, an outline of the work to be done in the upcoming week, open or new questions or requests for information for SAO submittal to the utility, and if applicable, a written summary of issues identified, including an assessment of the significance of each issue. The contractor can attend meetings by phone; however, web-based meetings are preferable so documents can be viewed and discussed.

The update will include detail of time spent at the end of each week. In certain cases, exceptions to the weekly schedule may be made if pre-approved by SAO.

Time spent on utility specific work must be identified separately from time spent on research that benefits multiple utilities. Because all costs are billed back to the utilities SAO audits, we will require breakouts of time by utility and breakouts of time that benefit multiple utilities. For example, the kick-off meeting will be billed evenly across all utilities included in the audit. If time was spent on a particular issue that was only relevant to 5 utilities - the time, the topic, and the names of the 5 utilities would need to be clearly identified.

4. Follow-up Support (As Needed)

The Contractor will make themselves available for a **4-6 month period** after the work at the last utility is complete to participate in reviewing and editing materials and providing feedback on communication materials based on the audit produced by SAO. The contractor may be required to answer questions from the utility other interested parties. Proposers will submit a blended hourly rate for follow-up support. Support will be identified and cost negotiated in an amendment if needed.

C. AUDIT DOCUMENTATION (WORK PAPERS)

The SAO performs these engagements as attestation examinations in accordance with Generally Accepted Government Auditing Standards, which require clear documentation by the contractor with specific examples that support the auditor's conclusions and recommendations. The SAO will be responsible for advising the auditee of significant issues including any suspected fraud that may be identified by the contractor during their field work.

The contractor agrees that work papers, including all work in process, prepared in connection with an attestation examination will conform to the State Auditor's Office standards and will be presented in an acceptable electronic format. The contractor will be required to provide all work to the State Auditor's Office in electronic format upon request at any moment, interval or frequency so determined by the State Auditor's Office. The contractor will provide work papers to the State Auditor's Office in the same format in which they were prepared, such as Word or Excel, and not convert them to .pdf files. Work papers are considered public documents and are the property of the State Auditor's Office. Public requests for copies or viewing of work papers must be made through the State Auditor's Office.

Work papers will include detailed cross references to source documentation, as applicable. All cross references will include the applicable page(s) within the referenced document to facilitate review.

Documentation will be prepared for and will support all findings and recommendations and should include the nature, timing, and extent of examination procedures performed. The documentation should identify who performed the work and the actual date of such work.

Documentation will be professionally written and contain evidence used in conducting the examination. Detail provided in the documentation should be sufficient to enable an experienced auditor, who has had no previous connection with the engagement, to understand the information collected, the work performed and to reach the same conclusion.

The contactor will submit work papers electronically to SAO's server using SAO's secure file transfer protocol. The contractor will submit work papers and deliverables for each utility separately in a compressed file, such as *.zip, with the primary work paper clearly identified using a consistent file naming convention between all utilities examined. For each utility, the contractor will provide work papers that clearly identify the specific methodology requirement addressed with references to subordinate work papers as applicable. *References to supporting documents cited in the primary work paper, must agree to the names of electronic subordinate work papers to facilitate SAO review and verification. The contractor's costs for rework to correct referencing issues in the work papers will not be billable to SAO.*

The contractor is required to review the quality and correctness of the final deliverables and supporting work papers it submits to SAO for SAO review and acceptance. Following SAO's review, the contractor must respond to SAO questions, requests for clarification, revisions as a condition of acceptance and completion of a final deliverable.

SECTION V - COST PROPOSAL (MR)

A. HOURLY RATE PROPOSAL

The State Auditor's Office is accepting **hourly rate proposals ONLY**. Hourly rate proposals must include all costs associated with the proposer accomplishing all of the work in its proposal. Costs include, but are not limited to, labor, administrative, subcontractor(s) and any and all incidentals necessary to complete the performance of the proposed contract.

The State Auditor's Office will not be responsible for any costs incurred by the contractor that are not included in the **hourly rate proposal**.

Ten percent (10%) of the fee for each deliverable will be retained pending completion of the contract. Thirty (30) days after the final report is published, the State Auditor's Office Contract Manager will authorize payment in full of all retainages.

The proposer must provide its hourly rate proposal in the format demonstrated below:

Hourly rate proposal

Item	Rate
Subject Matter Expert	$ per hour
Note: Hourly rates include all expenses and are offered by proposers as a not-to-exceed hourly rate.	

1. Award Not Based on Price Alone

The evaluation process is designed to award a contract not necessarily to the proposer with the lowest hourly rate, but rather to the proposer whose proposal best meets the requirements of this RFQQ. Proposers are encouraged to submit proposals that are consistent with state government efforts to conserve state resources.

2. State Sales Tax

Proposers are required to collect and pay Washington State sales tax, if applicable.

SECTION VI - HOURLY RATE CERTIFICATION FORM (MR) (PASS/FAIL)

The Hourly Rate Certification must include a signed copy of Exhibit C, Hourly Rate Certification Form.

SECTION VII - PROCUREMENT EVALUATION FOR EXECUTIVE ORDER 18-03 CERTIFICATION FORM (MR)

Pursuant to RCW 39.26.160(3) (best value criteria) and consistent with Executive Order 18-03 – Supporting Workers' Rights to Effectively Address Workplace Violations (dated June 12, 2018), Office of the Washington State Auditor will evaluate bids for best value and provide a bid preference in the of 5 points to any bidder who certifies, pursuant to the certification attached as Exhibit G – *Contract Certification for Executive Order 18-03 – Worker's Rights*, that their firm does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waiver.

SECTION VIII - CUSTOMER REFERENCES (MR) (PASS/FAIL)

The proposer must supply names, addresses and telephone numbers of a minimum of three non-proposer-owned customer references for which the proposer has recently completed work. Proposers are discouraged from listing current State Auditor's Office employees as references. Please note what type of work was performed by the proposer for the reference, and how it is relevant to the work proposed in this solicitation, and provide a sample of the work if different from work samples provided by requirement. By signing Exhibit A, Certifications and Assurances, the proposer grants the State Auditor's Office permission to independently contact references and others who may have pertinent information. Exhibit D, Reference Worksheet, is provided for proposers to list their references.

Each reference will be asked about the approach proposers used to deliver services and the quality of services delivered.

The State Auditor's Office will not accept any terms for contacting references other than those stated above.

SECTION IX - RESUMES (MR)(PASS/FAIL)

The proposer must provide resumes for the named key staff, and subcontractor employees performing work for the proposer of this contract. Each resume must include information on the individual's specific skills related to this project, education, experience, significant accomplishments, and responsibilities assumed on other similar projects as well as any other pertinent information. Subcontractor resumes must display the word "SUBCONTRACTOR" in bold letters clearly printed across the top of the first page.

SECTION X - CERTIFICATIONS AND ASSURANCES (MR)(PASS/FAIL)

Section VIII must include a signed Certifications and Assurances form, see: Exhibit A.

SECTION XI - WORK SAMPLES (MR) (PASS/FAIL)

Samples of reports may include, but are not limited to, conservation potential assessments or conservation program evaluations.

Proposers must demonstrate and provide:

Samples of work conducted within the last five years that demonstrates the proposer's capability to successfully assist on this compliance examination. Proposer will provide three reports and one set of corresponding sample working papers that link the work performed to the final report results.

CHAPTER 4 - EVALUATION AND CONTRACT AWARD

1. EVALUATION PROCEDURE

ALL MANDATORY REQUIREMENTS OF THE RFQQ MUST BE MET IN ORDER FOR THE PROPOSAL TO BE EVALUATED.

The proposer is specifically notified that failure to comply with any part of the solicitation may result in rejection of the proposal as nonresponsive. The State Auditor's Office also reserves the right, at its sole discretion, to waive minor irregularities.

Responsive proposals will be evaluated strictly in accordance with the requirements stated in the RFQQ and any amendments/addenda issued. The evaluation of proposals will be accomplished by an evaluation team to be designated by the State Auditor's Office, which will determine the ranking of proposals.

During proposal evaluation, the State Auditor's Office reserves the right to make reasonable inquiry to determine the responsibility of any proposer. Requests may include, but not be limited to, compliance to standards for independence, financial statements, credit ratings, references, record of past performance, on- site inspection of proposers, or proposer's subcontractor's facilities. Failure to respond to said request(s) will be sufficient reason to consider the proposal nonresponsive.

2. CLARIFICATION OF PROPOSAL

The Solicitation Coordinator may contact a proposer for clarification of any portion of the proposal.

3. PASS/FAIL EVALUATIONS

Proposers receiving a failing score for the Letter of Submittal, Customer References, Resumes or Samples of Work sections will be viewed as not meeting the mandatory requirements and will be eliminated from further consideration.

4. EVALUATION CRITERIA

The following weights will be assigned to the proposal for evaluation purposes:

Section Title	Percentage
Letter of Submittal	Pass/Fail
Project Management	15 Percent
Staff Qualifications & Experience	35 Percent
Technical Proposal	35 Percent
Cost Proposal	10 Percent
Hourly Rate Certification	Pass/Fail
Executive Order 18-03	5 Percent
Customer References	Pass/Fail
Resumes	Pass/Fail
Signed Certifications & Assurances	Pass/Fail
Samples of Work	Pass/Fail
Total	**100 Percent**

5. ORAL PRESENTATIONS MAY BE REQUIRED

Written proposals and oral presentations, if necessary, will be used in selecting the winning proposal. The State Auditor's Office, at its sole discretion, may elect to select the top-scoring finalists from the written evaluation for an oral presentation. Should the State Auditor's Office elect to hold oral interviews, the State Auditor's Office will contact the finalists to schedule a date, time and will be performed using a web-based conference call.

Commitments made by the proposer at the oral interview, if any, will be considered binding. The oral interview will determine the apparent successful proposer. The scoring committee makes a recommendation to the Director of Local Audit, who names the apparent successful proposer.

6. NOTIFICATION TO UNSUCESSFUL PROPOSERS

Proposers whose proposals have not been accepted for further negotiation or contract award will be notified by e-mail.

7. DEBRIEFING OF UNSUCCESSFUL PROPOSERS

Proposers who submitted a proposal and were not selected will be given the opportunity for a debriefing conference. The Solicitation Coordinator must receive a written request from the unsuccessful proposer for a debriefing conference within three business days after the Notification of Unsuccessful Proposer letter is e- mailed. The request for a debriefing can be in hard copy or via e-mail. The debriefing will be held within three business days of the request unless the State Auditor's Office schedules otherwise.

Discussion will be limited to a critique of the requesting proposer's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

8. PROTEST PROCEDURE AND FORMAT

This procedure is available to proposers who (1) submitted a response to this solicitation document and (2) have participated in a debriefing conference. Upon completing the debriefing conference, the proposer is allowed three (3) business days to file a protest of the acquisition with the Solicitation Coordinator. Protests may be submitted by facsimile or e-mail, but must be followed by the original document.

Proposers protesting this procurement will follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to proposers under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests will be addressed to the Solicitation Coordinator.

Only protests stipulating an issue of fact concerning the following subjects will be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator.
- Errors in computing the score.
- Noncompliance with procedures described in the procurement document.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) State Auditor's Office's assessment of its own and/or other agencies' needs or requirements.

Upon receipt of a protest, the State Auditor's Office will hold a protest review. The State Auditor's Office will designate three individuals who were not involved in the procurement to consider the record and all available facts and issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another proposer that submitted a proposal, such proposer will be given an opportunity to submit its views and any relevant information on the protest to the Solicitation Coordinator.

The final determination of the protest will:

- Find the protest lacking in merit and uphold the State Auditor's Office's action; or
- Find only technical or harmless errors in the State Auditor's Office's acquisition process and determine the State Auditor's Office to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide State Auditor's Office options which may include:
    - Correct the errors and re-evaluate all proposals, and/or
    - Reissue the solicitation document and begin a new process, or
    - Make other findings and determine other courses of action as appropriate.

If the State Auditor's Office determines that the protest is without merit, the State Auditor's Office will enter into a contract with the apparent successful contractor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

EXHIBIT A - CERTIFICATIONS AND ASSURANCES

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.

2. I/we certify that non-audit services have not been performed on behalf of audited entities (see https://www.gao.gov/assets/700/693136.pdf, Chapter 3, 3.65 page 43) at any time during the previous **four years** by our firm or by any individual or firm we will employ as a subcontractor relative to this proposal.

   Or

   I/we are disclosing the following non-audit services have been performed during the previous **four years** by our firm or by an individual or firm that will be employed by us as a subcontractor on behalf of audited entities identified as in scope for this solicitation (list all in table below). I/we have examined the nature of the non-audit services provided and certify that I/we meet Government Auditing Standards 2011(https://www.gao.gov/assets/700/693136.pdf), General Standards for Independence.

Date	Audited Entity	Describe non-audit services provided	Audited entity contact

3. The contractor warrants that all persons performing work under this contract and any subcontracts are free from personal and external impairments to independence.

4. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.

5. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by the State Auditor's Office without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.

6. The project management, staff, and subcontractors identified in Section II – Project Management will be assigned for the duration of the project. We agree that no substitutions or deletions of project personnel will occur without first requesting and the receiving approval, in writing, from the State Auditor's Office.

7. In preparing this proposal, I/we have not been assisted by any current or former employee of the State of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)

8. I/we understand that the State Auditor's Office will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the State Auditor's Office, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.

9. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the proposer and will not knowingly be disclosed by him/her prior to submission, directly or indirectly to any other proposer or to any competitor.

10. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and Attachment B, General Terms and Conditions. If there are any necessary exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.

11. No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

12. I/we grant the State Auditor's Office the right to contact references and others, who may have pertinent information regarding the proposer's prior experience and ability to perform the services contemplated in this procurement.

13. Bidder Responsibility Criteria; Bidder certifies that Bidder has not, within the three-year period immediately preceding the date of release of this competitive solicitation, been determined by a final and binding citation and notice of assessment issued by the state of Washington Department of Labor and Industries or through a civil judgment to have willfully violated state minimum wage laws (RCW 49.38.082; Chapters 49.46 RCW, 49.48 RCW, or 49.52 RCW). Bidder attests under penalty of perjury that the foregoing statement is true and correct.

14. I/we identify the following firm principals as participants in the Washington State 2008 Early Retirement Factor Program…

PARTICIPANTS

☐ NO PARTICIPANTS

On behalf of the firm submitting this proposal, my name below attests to the accuracy of the above statements.

Signature of Proposer Title Date

EXHIBIT B - SAMPLE CONTRACT FOR PROFESSIONAL SERVICES

Office of the Washington State Auditor

CONTRACT NO. [K###-C-YYMM]

CONTRACT FOR PROFESSIONAL SERVICES
BETWEEN
OFFICE OF THE WASHINGTON STATE
AND
[VENDOR NAME]

This Contract is made and entered into by and between the Washington STATE AUDITOR'S OFFICE and the below named CONTRACTOR.

[VENDOR NAME]
[Vendor Street Address]
[City, ST, Zip]
[Phone Number]
[Email or web address]

[Contract K###-C-YYMM]

1. PURPOSE

The purpose of this contract is to provide subject matter expertise in support of its compliance examinations that meets the objectives contained in Chapter 1.C of RFP No. [K###-RFP-YYMM] in the manner specified in the final Performance Statement of Work.

2. SCOPE OF WORK

A. The contractor will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the Performance Statement of Work, attached hereto and incorporated by reference. However, the State Auditor's Office reserves the right to modify the final Performance Statement of Work, including deleting and adding tasks, after completing the planning process and at critical points during the course of the contract.

B. This scope of this contract includes the following, per the solicitation document:

The contractor will provide subject matter expertise to assist in its examinations of consumer-owned qualifying utility's compliance in developing their respective 10-year energy conservation potential assessments and biennial energy conservation targets in accordance with the Energy Independence Act for the following compliance periods:

- January 1, 2020 through December 31, 2021;
- January 1, 2022 through December 31, 2023.

The scope will include the following entities:

Municipal utilities:

Seattle City Light	Tacoma Power

Public Utility Districts (PUDs):

Benton County	Grant County, No. 2
Chelan County	Grays Harbor County
Clallam County	Lewis County
Clark County	Mason County, No. 3
Cowlitz County	Snohomish County
Franklin County	

C. All work of the contractor will be expected to be of a professional quality acceptable to the State Auditor's Office.

D. Attachment B, attached hereto and incorporated by reference, contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the State Auditor's Office and the contractor, and specific obligations of both parties.

E. All work products and documentation resulting from work performed under this contract become the property of the State Auditor's Office.

3. PERIOD OF PERFORMANCE

The period of performance of any contract resulting from this RFQQ is tentatively scheduled to begin on or after [Date] or date of execution, whichever is later, and to end on or before [Date]. Task Orders will be issued for each engagement.

Amendments extending the period of performance, if any, will be at the sole discretion of the State Auditor's Office. The State Auditor's Office reserves the right, at its discretion, to extend the contract for up to an additional three-year period.

4. COMPENSATION

Total compensation payable to the contractor for satisfactory performance of the work under this contract will not exceed **[$Price]**. The contractor's compensation for services rendered will be based on the schedule set forth in Attachment A. If the State Auditor's Office decides to modify the final Performance Statement of Work, including adding or deleting tasks, after completing the planning process or at critical points during the course of the contract, the parties will negotiate in good faith whether to make an adjustment to the compensation set forth in Attachment A.

5. BILLING PROCEDURES AND PAYMENT

The State Auditor's Office will pay the contractor upon State Auditor's Office acceptance of services provided and receipt of properly completed invoices, which will be submitted to the Contract Manager in accordance with the schedule in Attachment A.

The invoices will describe and document, to the State Auditor's Office's satisfaction, an itemized description of the work performed and the progress of the project by deliverable as compared to the final Performance Statement of Work, and fees. The invoice will include reference to Contract [K###-C-YYMM].

Payment will be considered timely if made by the State Auditor's Office within thirty (30) calendar days after receipt of properly completed invoices. However, payment for each billing will be made after the State Auditor's Office's determination that it is satisfied with the overall progress of the contractor and the quality of each deliverable. If the State Auditor's Office determines the contractor has not made satisfactory progress in accordance with Attachment A, the State Auditor's Office may, in its sole discretion, withhold payments or terminate the contract.

6. RETAINAGE

Ten percent of each payment will be withheld pending completion of the Contract. After completion and approval of all deliverables, the State Auditor's Office Contract Manager will authorize payment in full of all retainages.

7. NO ADVANCE PAYMENT

No payments in advance or in anticipation of services or supplies to be provided under this contract will be made by the State Auditor's Office.

8. CONTRACT MANAGEMENT

The Contract Manager for each of the parties will be the contact person for all communications and billings regarding the performance of this contract.

Contract Manager for State Auditor's Office:

[Name]

P.O. Box 40031

Olympia, WA, 98504-0022

Phone: [(###) ###-###

Email: [email@sao.wa.gov]

Contract Manager for CONTRACTOR:

[Name]

[Street Address]

[City, ST, Zip]

Phone: (###) ###-####

Email: [email address]

Contract Coordinator for State Auditor's Office:

Charleen Patten

P.O. Box 40031

Olympia, WA, 98504-0022

Phone: (564) 999-0941

Email: contractmanager@sao.wa.gov

9. CONTRACTOR'S PERSONNEL

A. State Auditor's Office reserves the right to reject any of the contractor's employees, suppliers, or subcontractors. Any and all costs or expenses associated with replacement of any person or entity will be borne by the contractor.

B. State Auditor's Office may, in the exercise of its discretion and judgment, identify certain of the contractor's employees as key personnel, and if so, the contractor will take all necessary steps to assure that said contractor's employees are available and assigned to the work as long as said employees are employed by the contractor.

C. The contractor may not change or replace any of the staff assigned to this contract without prior approval of State Auditor's Office, whose approval will not be unreasonably withheld.

D. The contractor warrants that it is available to perform the work within the time specified and that all work will be performed on a priority basis. The contractor will begin work promptly and will perform the work in a continuous and diligent manner, and the contractor will not interrupt the work except as may be provided under this contract.

E. The contractor will be responsible to ensure that all its employees and subcontractor's employees are properly trained, certified, or licensed as appropriate and are properly qualified by education and experience to perform the work. The contractor will avoid overstaffing the work or shuffling personnel assigned to said work.

F. The contractor, subcontractor(s) and their employees agree not to recruit any personnel from the State Auditor's for a period of six (6) months after conclusion of the project.

10. COORDINATION AND COOPERATION

A. The contractor will cooperate with the State Auditor's Office and other firms, if any, to ensure that the work is properly performed on schedule. Contractor will collaborate with any other firms and coordinate its work with the work of such other firm(s), if any, which could affect the work. The contractor will proceed in such manner as to not interfere or delay the progress of the work as a whole.

B. If any part of the contractor's work depends for proper execution or results upon the work of any other contractor(s), the contractor will inspect and promptly report in writing to the State Auditor's Office any defects in the work of such other contractor that renders it unsuitable for such proper execution or results. Failure of the contractor to do so will constitute its acceptance of the other firm's work as fit and proper for the reception of contractor's work, except as to defects that may develop in the other firms' work after the execution of the contractor's work.

C. In cases of disagreement or disputes between the contractor and other firm(s) which could delay or interfere with the work due to the failure to collaborate and cooperate or which cannot be resolved between contractor and the others involved, the State Auditor's Office will be given prompt written notice specifying in detail the disagreement or dispute. In such cases, the State Auditor's Office will have the right to determine the proper method of coordinating the work, and the State Auditor's Office's decisions in this regard will be final, binding, and conclusive.

D. Notwithstanding the existence of a dispute or disagreement between the State Auditor's Office and the contractor, the contractor will diligently and without interruption proceed with the work at such rates of progress as will ensure full completion of the work on time.

E. The contractor will accommodate the Manager's monitoring and management of the contract by meeting bi-weekly to discuss work progress and products as measured against the approved and final Performance Statement of Work. In these meetings, the contractor will communicate to the Manager any issues or opportunities identified.

11. SUPERVISION AND COORDINATION

The contractor will:

• Designate a representative(s) with the authority to legally commit the contractor's firm. All communications given or received from the contractor's representative will be binding on the contractor.

• Promote and offer to the State Auditor's Office only those services as stated herein and allowed for by contractual requirements. Violation of this condition will be grounds for contract termination.

12. INSURANCE

The successful proposer will provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State Auditor's Office should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the contractor or subcontractor, or agents of either, while performing under the terms of this contract. The contractor will submit to the State Auditor's Office, within 15 days of the contract effective date, a certificate of insurance which outlines the coverage and limits defined in the Insurance section. The contractor will submit renewal certificates as appropriate during the term of the contract.

The contractor will provide insurance coverage, which will be maintained in full force and effect during the term of this contract, as follows:

C. ***Commercial General Liability (CGL) Insurance Policy:*** Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity, but no less than $1,000,000 per occurrence. Additionally, the contractor is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

D. ***Automobile Liability:*** In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or not owned by the contractor, automobile liability insurance will be required. The minimum limit for automobile liability is: $1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

E. ***Professional Liability:*** When available, coverages with limits of not less than $1,000,000 for any one occurrence.

F. ***Cyber Security Insurance:*** *When appropriate:* Vendor shall have and maintain insurance limits in the amount of $2,000,000 per claim and $2,000,000 annual aggregate to be maintained for the duration of the agreement and three years following its termination to respond to privacy and network security liability claims arising for any reason.

G. ***Workers' Compensation Coverage:*** Workers' compensation coverage with Washington statutory limits and employer's liability coverage of not less than $500,000 for employer's liability. The contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes and regulations to the full extent applicable. The State will not be held responsible in any way for claims filed by the contractor or its employees for services performed under the terms of the contract.

H. Employer's Liability ("Stop Gap") Insurance: In addition, the contractor will buy employer's liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease. Employer's Liability ("Stop Gap") Insurance is intended to cover gaps between Workers' Compensation and CGL insurance.

I. Additional Provisions:

1. ***Additional Insured:*** The insurance required will be issued by an insurance company/is authorized to do business within the State of Washington, and will name the State of Washington, its agents and employees as additional insureds under the insurance policy/ies. All policies will be primary to any other valid and collectable insurance.
2. ***Cancellation:*** The State Auditor's Office will be provided 30 calendar days' written notice before cancellation or nonrenewal of any insurance referred to herein. The contractor will instruct the insurers to give the State Auditor's Office 30 calendar days' advance notice of any insurance cancellation or nonrenewal action.
3. ***Identification:*** Policy must reference the State's contract number and the State Auditor's Office.
4. ***Insurance Carrier Rating:*** All insurance and bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception will be reviewed and approved by the State Auditor's Office's Risk Manager or the Risk Manager of the Department of Enterprise Services before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and WAC 284-15.
5. ***Excess Coverage:*** By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect the contractor, and such coverages and limits will not limit contractor's liability under the indemnities and reimbursements granted to the State in this contract.

13. ASSURANCES

The State Auditor's Office and the contractor agree that all activity pursuant to this contract will be in accordance with all the applicable current federal and state laws, rules, and regulations.

14. ORDER OF PRECEDENCE

Each of the documents listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency will be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations;
- The terms of the basic contract and all attachments incorporated herein including

  Special Terms and Conditions as contained in this basic contract instrument

  Attachment A – the Final Performance Statement of Work;

  Attachment B – General Terms and Conditions;
- Request for Quotes and Qualifications No. [K633-RFQQ-1911]

- The contractor's proposal dated [Date] and
- Any other provision, term or material incorporated herein by reference or otherwise incorporated.

15. ENTIRE AGREEMENT

This contract, including referenced attachments and other documents, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, will be deemed a part hereof.

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

16. APPROVAL

This contract will be subject to the written approval of the State Auditor's Office's authorized representative and will not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below, who warrant they have the authority to execute the contract.

[VENDOR NAME]	**STATE AUDITOR'S OFFICE**
Signature: _____	Signature: _____
Date: _____	Date: _____
Name/Title:	Name/Title:

APPROVED AS TO FORM:
Assistant Attorney General
Date:

ATTACHMENT A – STATEMENT OF WORK

ATTACHMENT B - GENERAL TERMS AND CONDITIONS

1. Definitions

As used throughout this contract, the following terms shall have the meaning set forth below:

A. "State Auditor's Office" (SAO) shall mean any division, section, office, unit or other entity of the State Auditor's Office, or any of the officers or other officials lawfully representing the State Auditor's Office.

B. "Agent" shall mean the State Auditor's Office Contract Manager, and/or the delegate authorized in writing to act on the Manager's behalf.

C. "Contractor" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the contractor.

D. "Subcontractor" shall mean one not in the employment of the contractor, who is performing all or part of those services under this contract under a separate contract with the contractor. The terms "subcontractor" and "subcontractors" means subcontractor(s) in any tier.

2. Access to Data

In compliance with RCW 39.26.180 the contractor shall provide access to data generated under this contract to the State Auditor's Office at no additional cost.

3. Advance Payments Prohibited

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the State Auditor's Office.

4. Amendments

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

5. Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, 28 CFR Part 35

The contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

6. Assignment

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the contractor without prior written consent of the State Auditor's Office.

7. Attorneys' Fees

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

8. Confidentiality/Safeguarding of Information

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this contract or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal statutes ("Confidential Information").

The contractor will not use or disclose any information concerning the State Auditor's Office, information which may be classified as confidential, for any purpose not directly connected with the administration of this

contract, except with prior written consent of the State Auditor's Office, or as may be required for peer review or by law, legal process, or AICPA Consulting Standards.

Confidential information may include, but is not limited to, employee information such as residential addresses, e-mail addresses, and telephone numbers, Social Security Numbers, financial profiles, credit card information, driver's license numbers, medical data or protected health information, law enforcement records, agency source code or object code, or agency security data.

Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

Immediately upon expiration or termination of this contract, contractor will destroyed all information including Confidential Information not required to be retained by professional standards.

Any breach of this provision may result in termination of the contract and the demand for return of all Confidential Information. The contractor agrees to indemnify and hold harmless the State Auditor's Office for any damages related to the contractor's unauthorized use of confidential information.

9. Conflict Of Interest

The State Auditor's Office may, in its sole discretion, by written notice to the contractor terminate this contract if it is found after due notice and examination by the State Auditor's Office that there is a violation of RCW 42.52, Ethics in Public Service.

10. Copyright Provisions

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the State Auditor's Office. The State Auditor's Office shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, contractor hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the State Auditor's Office effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, contractor hereby grants to the State Auditor's Office a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The contractor warrants and represents that contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the State Auditor's Office. The contractor will maintain its ownership of its pre-existing materials, such as methodologies, including any improvements or enhancements the contractor makes to its pre-existing materials.

The State Auditor's Office recognizes that: (A) valuable formulae, designs, drawings, and research data obtained by the State Auditor's Office within five years of the request for disclosure are exempt from disclosure when disclosure would produce private gain and public loss (RCW 42.56.270(1)); and (B) intellectual property and proprietary information may also be covered by the Washington Trade Secrets Act, chapter 19.108 RCW.

Where a request for documents potentially protected under these laws is made, the State Auditor's Office shall notify the contractor that the request has been made and provide the Contractor an opportunity to seek a court injunction against the requested disclosure. The Contractor will have five (5) business days to respond

to the State Auditor's Office's notice with its intent to seek a court injunction against the requested disclosure. If the State Auditor's Office receives no response from the Contractor within five (5) business days, the materials and information will be released consistent with the State Auditor's Office policies and procedures under State law. Once notified of the contractor's intent to seek a court injunction, the contractor shall have ten (10) business days to obtain an injunction and provide a copy to the State Auditor's Office. If the State Auditor's Office does not receive a copy of an injunction within these ten (10) business day, it may release the requested documents.

Contractor shall exert all reasonable effort to advise the State Auditor's Office at the time of delivery of all known or potential copyright provisions or intellectual property or proprietary information protections applicable to any document or portion of any document produced in the performance of this contract. Contractor may mark any documents furnished to the State Auditor's Office as follows:

NOTICE: The information herein has been prepared for the use of the State Auditor's Office and no others. The information contains data that is copyrighted by © _____, all rights reserved, or may be subject to intellectual property or proprietary information protections.

Nothing contained in this section affects or modifies the State Auditor's Office obligation to disclose public records under Chapter 42.56 RCW or other applicable law.

The contractor shall exert all reasonable effort to advise the State Auditor's Office, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The State Auditor's Office shall receive prompt written notice of each notice or claim of infringement received by the contractor with respect to any data delivered under this contract. The State Auditor's Office shall have the right to modify or remove any restrictive markings placed upon the data by the contractor.

11. Covenant Against Contingent Fees

The contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the contractor for securing business.

The State Auditor's Office shall have the right, in the event of breach of this clause by the contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

12. Disallowed Costs

The contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

13. Disputes

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved, either party may request a dispute hearing with a team of three (which shall be comprised of one independent individual selected by the contractor, one independent individual selected by the State Auditor's Office Director of Audit, and one shall be a State Auditor's Office Director not responsible for the contract.) Disputes shall be resolved as quickly as possible.

The request for a dispute hearing must:

A. Be in writing;

B. State the disputed issue(s);

C. State the relative positions of the parties;

D. State the contractor's name, address, and contract number; and

E. Be mailed or sent electronically to the State Auditor's Office Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.

The Contract Manager shall send a written answer to the contractor's statement to the contractor within 5 working days.

The panel shall review the written statements and reply in writing to both parties within 10 working days. The panel may extend this period if necessary by notifying the parties.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

The State Auditor's Office and contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract, which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

14. Duplicate Payment

The State Auditor's Office shall not pay the contractor, if the contractor has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

15. Governing Law

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

16. Indemnification

To the fullest extent permitted by law, the contractor shall indemnify, defend, and hold harmless state, agencies of state and all officials, agents and employees of state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract.

"Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from. The contractors' obligations to indemnify, defend, and hold harmless includes any claim by the contractors' agents, employees, representatives, or any subcontractor or its employees.

The contractor expressly agrees to indemnify, defend and hold harmless the State for any claim arising out of or incident to the contractor's or any subcontractor's performance or failure to perform the contract. The contractor's obligation to indemnify, defend, and hold harmless the state shall not be eliminated or reduced by any actual or alleged concurrent negligence of the State or its agents, agencies, employees and officials.

The contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officials, agents or employees.

17. Independent Capacity of the Contractor

The parties intend that an independent contractor relationship will be created by this contract. The contractor and his or her employees or agents performing under this contract are not employees or agents of the State Auditor's Office. The contractor will not hold himself/herself out as or claim to be an officer or employee of the State Auditor's Office or of the State of Washington by reason hereof, nor will the contractor make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the contractor.

18. Industrial Insurance Coverage

The contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may

be required by law, the State Auditor's Office may collect from the contractor the full amount payable to the Industrial Insurance accident fund. The State Auditor's Office may deduct the amount owed by the contractor to the accident fund from the amount payable to the contractor by the State Auditor's Office under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's right to collect from the contractor.

19. Licensing, Accreditation and Registration

The contractor shall comply with all applicable local, state and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

20. Limitation of Authority

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

21. Noncompliance with Nondiscrimination Laws

In the event of the contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the contractor may be declared ineligible for further contracts with the State Auditor's Office. The contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

22. Nondiscrimination

During the performance of this contract, the contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

23. Publicity

The contractor agrees to submit to the State Auditor's Office all advertising and publicity matters relating to this contract wherein the State Auditor's Office's name is mentioned or language used from which the connection of the State Auditor's Office's name may, in the State Auditor's Office's judgment, be inferred or implied. The contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the State Auditor's Office.

24. Records Maintenance

The contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the State Auditor's Office, personnel duly authorized by the State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

25. Registration with Department of Revenue

The contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

26. Right of Inspection

The contractor shall provide right of access to its facilities to the State Auditor's Office, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance of the work performed.

27. Savings

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the State Auditor's Office may terminate the contract under the "Termination for Convenience" clause, without the ten day notice requirement, subject to renegotiation at the State Auditor's Office's discretion under those new funding limitations and conditions.

28. Severability

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

29. Site Security

While on the State Auditor's Office premises, contractor, its agents, employees or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

30. Subcontracting

Neither the contractor nor any subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the State Auditor's Office. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the State Auditor's Office for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

The contractor is solely responsible and liable for ensuring that all of the terms, conditions, assurances and certifications set forth in this contract are incorporated into any partnering or subcontracting relationships with other entities for work related to this contract. Liability includes management responsibility and quality assurance for work performed and financial responsibility for payments to and by partner organizations or subcontractor to others. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to information obtained during performance of this contract without the express written consent of the State Auditor's Office or as provided by law.

31. Taxes

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the contractor or its staff shall be the sole responsibility of the contractor.

32. Termination for Cause

In the event the State Auditor's Office determines the contractor has failed to comply with the conditions of this contract in a timely manner, the State Auditor's Office has the right to suspend or terminate this contract. Before suspending or terminating the contract, the State Auditor's Office shall notify the contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The State Auditor's Office reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the contractor or a decision by the State Auditor's Office to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the State Auditor's Office provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

33. Termination for Convenience

Except as otherwise provided in this contract, the State Auditor's Office may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the State Auditor's Office shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

34. Termination Procedures

Upon termination of this contract, the State Auditor's Office, in addition to any other rights provided in this contract, may require the contractor to deliver to the State Auditor's Office any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The State Auditor's Office shall pay to the contractor the agreed upon price, if separately stated, for completed work and services accepted by the State Auditor's Office, and the amount agreed upon by the contractor and the State Auditor's Office for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the State Auditor's Office, and (iv) the protection and preservation of property, unless the termination is for default, in which case the agent shall determine the extent of the liability of the State Auditor's Office. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract.

The State Auditor's Office may withhold from any amounts due the contractor such sum as the agent determines to be necessary to protect the State Auditor's Office against potential loss or liability. The rights and remedies of the State Auditor's Office provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the agent, the contractor shall:

A. Stop work under the contract on the date, and to the extent specified, in the notice;
B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
C. Assign to the State Auditor's Office, in the manner, at the times, and to the extent directed by the agent, all of the rights, title, and interest of the contractor under the orders and subcontracts so terminated, in which case the State Auditor's Office has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the agent to the extent agent may require, which approval or ratification shall be final for all the purposes of this clause;
E. Transfer title to the State Auditor's Office and deliver in the manner, at the times, and to the extent directed by the agent any property which, if the contract had been completed, would have been required to be furnished to the State Auditor's Office;
F. Complete performance of such part of the work as shall not have been terminated by the agent; and

G. Take such action as may be necessary, or as the agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the contractor and in which the State Auditor's Office has or may acquire an interest.

35. Treatment of Assets

A. Title to all property furnished by the State Auditor's Office shall remain in the State Auditor's Office. Title to all property furnished by the contractor, for the cost of which the contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the State Auditor's Office upon delivery of such property by the contractor. Title to other property, the cost of which is reimbursable to the contractor under this contract, shall pass to and vest in the State Auditor's Office upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the State Auditor's Office in whole or in part, whichever first occurs.

B. Any property of the State Auditor's Office furnished to the contractor shall, unless otherwise provided herein or approved by the State Auditor's Office, be used only for the performance of this contract.

C. The contractor shall be responsible for any loss or damage to property of the State Auditor's Office that results from the negligence of the contractor or that results from the failure on the part of the contractor to maintain and administer that property in accordance with sound management practices.

D. If any the State Auditor's Office's property is lost, destroyed or damaged, the contractor shall immediately notify the State Auditor's Office and shall take all reasonable steps to protect the property from further damage.

E. The contractor shall surrender to the State Auditor's Office all property of the State Auditor's Office prior to settlement upon completion, termination or cancellation of this contract.

F. All reference to the contractor under this clause shall also include contractor's employees, agents or subcontractors.

36. Waiver

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the State Auditor's Office.

EXHIBIT C – HOURLY RATE CERTIFICATION

State your firm's total hourly rate, including services and all other associated costs as specified in Chapter 3, Section V, Hourly Rate Proposal, for the tasks as defined in Chapter 3, Section IV of this proposal.

Item	***Rate***
Subject Matter Expert	$ per hour
Note: Hourly rates include all expenses and are offered by proposers as a not-to-exceed hourly rate.	

I hereby certify these rates as defined in Chapter 3, Section V of this proposal. Signature

Name:

EXHIBIT D - REFERENCE WORKSHEET

REFERENCE WORKSHEET

REFERENCE

Type of Services Performed

Firm/Organization: _____

Reference Name: _____

Contact Person 1: _____

Contact 1 Phone #: _____ Fax #: _____

E-mail Address: _____

Contact Person 2: _____

Contact 2 Phone #: _____ Fax #: _____

E-mail Address: _____

Type of Business: _____

Number of Employees at Reference Business: _____

Number of Different Business Locations Supported: _____

EXHIBIT E - REQUIREMENTS CHECKLIST

Upon completion of the proposal, verify the entire proposal conforms to the requirements outlined in Chapter 3 and that it is organized into the following sections:

1) Letter of Submittal
2) Project Management
3) Qualifications and Experience
4) Technical Proposal
5) Cost Breakdown Hourly Rate Proposal
6) Signed Hourly Rate Certification (Exhibit C)
7) Signed Contractor Certification for Executive Order 18-03
8) Customer References
9) Resumes
10) Signed Certifications and Assurances (Exhibit A)
11) Work Samples

Checklist for Proposers **(Sections I through V will not exceed 25 combined total pages)**	**CHECK**
Section I. Submittal Letter (MR)	
A. Organization Summary (MR)	
B. Business Identification (MR)	
C. Company Officers (MR)	
D. Primary Contact (MR)	
E. Legal Status (MR)	
F. Previous State Contracts (MR)	
G. Former Employee Status (MR)	
H. OMWBE Status (MR)	
I. Contract Terminations (MR)	
J. Tax Information (MR)	
K. Subcontractor Qualifications (MR)	
L. Statement of Acceptance of Technical Requirements (MR)	
M. Compliance with Insurance Requirements (MR)	
Section II. Project Management (MR)	
A. Organization (MR)	
B. Project Management (MR)	
Section III. Qualifications and Experience (MR)	
A. Proposers' Recent and Relevant Experience (MR)	
Section IV. Technical Proposal (MR)	
A. Work Plan (MR)	
B. Project Schedule (MR)	
C. Deliverables (MR)	
Section V. Hourly Rate Proposal (MR) (Pass/Fail)	
Section VI. Hourly Rate Certification form (MR) (Pass/Fail)	
Section VII. EO 18-03 Certification (MR)	
Section VIII. Customer References (MR) (Pass/Fail)	
Section IX. Resumes (MR) (Pass/Fail)	
Section X. Signed Certifications and Assurances (Exhibit A), (MR) (Pass/Fail)	
Section XI. Work Sample (MR) (Pass/Fail)	

EXHIBIT F – INFORMATION FOR RFQQ RESPONDENTS

The Act (RCW 19.285.040 (1)) requires each qualifying utility pursue all available energy conservation that is cost-effective, reliable, and feasible. To comply, each qualifying utility must develop an energy conservation target based on a pro-rata share of its estimated conservation savings over a 10-year period. Energy conservation savings are quantified on a gross, not net, basis.

The Act requires each utility document that it has established its 10-year conservation potential using methodologies consistent with the Pacific Northwest Power and Conservation Council (NWPCC) in its most recently published power plan. For the 2020-2021 compliance period, the NWPCC's most recent power plan was the 7th Power Plan, which is identified in WAC 194-37-045 as the NWPCC's Seventh Northwest Conservation and Electric Power Plan, Council Document 2016-02, dated February 25, 2016. The document is available on the NWPCC's website at this address: www.nwcouncil.org/energy/powerplan/7/plan/

A qualifying utility demonstrates it has followed the NWPCC methodology by documenting it followed each of the methodologies summarized in WAC 194-37-070 (5) and are expected to be performed in the order summarized.

The 7th Power Plan includes regional estimates of energy conservation potential in the Pacific Northwest from the residential, commercial, industrial, agricultural sectors, as well as distribution efficiencies and market transformation initiatives.

Each utility assessment is expected to be unique to each respective qualifying utility's service territory and estimated based on information that was the most recent and available at the time the qualifying utility developed its assessment. A utility that completed its CPA and adopted its 10-year energy conservation potential and biennial its target in November or December, 2019 relied on information and estimates available prior to December 2019.

The successful firm must demonstrate in its proposal that it has the experience / collective knowledge of energy efficiency relevant to the Pacific Northwest, and the energy conservation potential assessment process as it relates to a utility's application of the Council's methodology. The successful firm should also be able to demonstrate experience / collective knowledge to assess the reasonableness of significant inputs and used by a utility in identifying its conservation potential. Those significant inputs are based on a number of assumptions and the likelihood they are to occur over the next 10 years, including but not limited to customer adoption of new and existing technologies over time, cost and benefit elements significantly impacting a utility's assessment of the cost-effective energy efficiency measures available, such as avoided costs, the amount of overhead cost, social cost of carbon, market saturation and customer adoption rates. The Act (RCW 19.285.040(1)(a)) states "Nothing in the rule adopted under this subsection precludes a qualifying utility from using its utility specific conservation measures, values, and assumptions in identifying its achievable cost-effective conservation potential." Therefore, utilities are responsible for demonstrating how the measures, values, and assumptions applied reflect utility specific conditions, which can differ from those assumed regionally by the Council in its 7th Power Plan.

Utilities that do not use assumptions, measures and savings values that have been adopted by the NWPCC and its Regional Technical Forum (RTF) will be expected to provide documentation supporting the inclusion of alternate measures and values. Values associated with market transformation efforts will generally have support provided by NEEA or BPA.

Resources:

Some utilities have posted their conservation potential assessments or their integrated resource plans on their websites. Summaries of individual utility conservation targets and prior achievement can be viewed at the Department of Commerce's website: Department of Commerce EIA Reporting

The following resources may also be helpful:
Energy Independence Act:

- Initiative 937
- RCW 19.285 –
- WAC 194-37 –

NWPCC 7th Power Plan

EXHIBIT G – PROCUREMENT EVALUATION FOR EXECUTIVE ORDER 18-03 CERTIFICATION FORM

CONTRACTOR CERTIFICATION
EXECUTIVE ORDER 18-03 –
WORKERS' RIGHTS WASHINGTON
STATE GOODS & SERVICES
CONTRACTS

Pursuant to the Washington State Governor's Executive Order 18-03 (dated June 12, 2018), the Office of the Washington State Auditor's Office is seeking to contract with qualified entities and business owners who certify that their employees are not, as a condition of employment, subject to mandatory individual arbitration clauses and class or collective action waivers.

Solicitation No. K633 RFQQ 1911

I hereby certify, on behalf of the firm identified below, as follows (check one):

_____ **NO MANDATORY INDIVIDUAL ARBITRATION CLAUSES AND CLASS OR COLLECTIVE ACTION WAIVERS FOR EMPLOYEES.** This firm does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

OR

_____ **MANDATORY INDIVIDUAL ARBITRATION CLAUSES AND CLASS OR COLLECTIVE ACTION WAIVERS FOR EMPLOYEES.** This firm requires its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

I hereby certify, under penalty of perjury under the laws of the State of Washington, that the certifications herein are true and correct and that I am authorized to make these certifications on behalf of the firm listed herein.

FIRM NAME: _____
Name of Contractor/Bidder – Print full legal entity name of firm

By: _____ _____
Signature of authorized person Print name of person make certifications of firm

Title: _____ Place: _____
Title of person signing certificate Print City and state where signed

Date: _____

EXHIBIT H – SAMPLE TASK ORDER

TASK ORDER **OFFICE OF THE WASHINGTON STATE AUDITOR (SAO)**	**Task Order #**	**Contract #**
	Type of Services	**Date Issued**
	Subject Matter Expertise	

Title: Energy Independence Act Conservation Target Compliance Evaluation	**Contractor:**

This Task Order is issued under the provisions of an SAO agreement. The services authorized are within the scope of services set forth in the *Purpose* of the contract. All rights and obligations of the parties shall be subject to and governed by the terms of the contract, including any subsequent modifications, which are hereby incorporated by reference.

Purpose

Energy Conservation Target Examination:

Statement of Tasks/Objectives and Deliverables:

1. Objectives:

2. Deliverables:

Deliverables are subject to review and approval by SAO prior to payment. Approval and payment of deliverables will indicate acceptance of complete deliverables.

Start Date	x/x/20xx (or upon execution of this agreement)	**End Date**	x/xx/20xx

Budget

	Description / Task	Est. Hours	Unit Cost	Total
SAO shall pay an amount up to but not to exceed				

Contractor's Approval	**State Auditor's Office Approval**
_____ *(Signature)* Authorized Representative (Date) Name: Title:	_____ *(Signature)* SAO Authorized Representative (Date) Name: Title:

T/O Manager		***T/O Manager***	
Telephone No.		**Telephone No.**	
Email:		**Email:**	