

Contract #171651

Audit Services

Heinfeld Meech

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**1. Heinfeld Meech's Response to Best
and Final Offer**

BEST AND FINAL PRICE PAGE

Fee must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

General Audit Work			
City CAFR*			
<i>Level and Name</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Amount</i>
Partner	\$		\$
Manager			
Senior			
Staff			
Clerical			
Out-of-Pocket			
Total Proposal		1,400	\$ 147,725

*In addition to the City's CAFR, this work includes TSRS CAFR, Tucson Water financial report (if published), and Self Insurance Trust reporting. Please indicate additional hours and costs necessary for providing separate opinions for the City's TSRS CAFR, Tucson Water financial report and Self Insurance Trust reports in the table below.

<i>Level</i>	<i>Hourly Rate</i>	TSRS		Tucson Water		Self Insurance Trust	
		<i>Hours</i>	<i>Amount</i>	<i>Hours</i>	<i>Amount</i>	<i>Hours</i>	<i>Amount</i>
Partner	\$		\$		\$		\$
Manager							
Senior							
Staff							
Clerical							
Out-of-Pocket							
Total Proposal		200	\$ 22,000	50	\$ 5,625	75	\$ 8,000

HeinfeldMeech is providing an approximate 5% fee reduction on the "Total Proposal" amounts presented in our original proposal. Total hours by audit and hours by staff level remain unchanged from the original proposal. A detailed price page with hourly rates can be provided upon request by the City.

2. City of Tucson's Request for Best and Final Offer



CITY OF
TUCSON

DEPARTMENT OF
PROCUREMENT

March 7, 2017

Corey Arvizu, CPA
Managing Partner
10120 N. Oracle Rd.
Tucson, AZ 85704

Sent via email this day: corey.arvizu@heinfeldmeech.com

Subject: Request For Proposal #171651 - REQUEST FOR BEST AND FINAL OFFER

Dear Mr. Arvizu,

Thank you for submitting a proposal for Audit Services. We are now in our final stages of evaluation and the City requests a best and final price offer. Attached you will find a Best and Final Price Page for you to fill out and return to me.

If you decide to keep the same pricing, you will still need to fill out the Best and Final Price Sheet and submit it to the City's Procurement Department by **12:00 p.m. on Friday, March 10, 2017**. You may email your response to me at Jenn.Myers@tucsonaz.gov.

Please call me if you have any questions at (520) 837-4137.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jenn Myers".

Jenn Myers
Senior Contract Officer

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES
MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)
CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210
(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639
www.tucsonprocurement.com

BEST AND FINAL PRICE PAGE

Fee must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

General Audit Work			
City CAFR*			
<i>Level and Name</i>	<i>Hourly Rate</i>	<i>Hours</i>	<i>Amount</i>
Partner	\$		\$
Manager			
Senior			
Staff			
Clerical			
Out-of-Pocket			
Total Proposal			\$

**In addition to the City's CAFR, this work includes TSRS CAFR, Tucson Water financial report (if published), and Self Insurance Trust reporting. Please indicate additional hours and costs necessary for providing separate opinions for the City's TSRS CAFR, Tucson Water financial report and Self Insurance Trust reports in the table below.*

<i>Level</i>	<i>Hourly Rate</i>	TSRS		Tucson Water		Self Insurance Trust	
		<i>Hours</i>	<i>Amount</i>	<i>Hours</i>	<i>Amount</i>	<i>Hours</i>	<i>Amount</i>
Partner	\$		\$		\$		\$
Manager							
Senior							
Staff							
Clerical							
Out-of-Pocket							
Total Proposal			\$		\$		\$

**3. Heinfeld Meech's Response to RFP#
171651**

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:

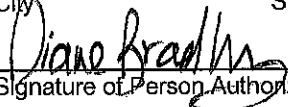
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Heinfeld, Meech & Co., P.C.

Company Name
10120 N. Oracle Rd.

Address
Tucson AZ 85704

City State Zip


Signature of Person Authorized to Sign
Diane Bradley

Printed Name
Partner - Administration

Title

Name: Corey Arvizu, CPA

Title: Managing Partner

Phone: (520) 903-6865

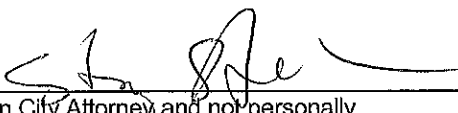
Fax: (520) 742-2718

E-mail: corey.arvizu@heinfeldmeech.com

ACCEPTANCE OF OFFER


The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 171651.

Approved as to form this 10th day of April, 2017.



As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation
Awarded this 10th day of April, 2017.


for _____
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
As Director of Procurement and not personally



Tucson • Phoenix • Flagstaff
HeinfeldMeech.com

February 16, 2017

City of Tucson
Department of Procurement
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Thank you for the opportunity to present our qualifications for audit services to the City of Tucson (City). We recognize the City's need for an experienced governmental accounting firm that is capable of providing the requested audit services within the stated timeline while being a resource for accounting matters throughout the year.

As a firm specializing in the governmental and non-profit industries, this engagement will be similar to the 3,950 financial statement audits we have performed since 1986. Our firm is the industry leader in Arizona, currently providing assurance services to 180 governmental entities in the State.

The single most important factor in our firm's success over the past 30 years has been our uncompromising commitment to quality and professionalism. Providing quality service is our primary objective, and we have procedures in place to ensure the highest standards. Our firm can meet your critical deadlines. We have the proper staffing levels and staff capacity to provide you with an exceptional audit.

Should you have any questions or require additional information, please contact me at (520) 742-2611, ext 133 or diane.bradley@heinfeldmeech.com or Corey Arvizu, CPA, Managing Partner, at (520) 903-6865 or corey.arvizu@heinfeldmeech.com.

Sincerely,

A handwritten signature in cursive script that reads "Diane Bradley".

Diane Bradley
Partner – Administration

A. Firm's Experience, Professional Capability and Record of Performance

1. Brief History of the Organization

Heinfeld, Meech & Co., P.C. is a registered Arizona corporation and is a minority-owned and woman-owned small business enterprise. Founded in 1986, we specialize in providing auditing and consulting services to local governmental entities. Our leadership in industry programs, employee development, financial reporting, and quality control all demonstrate our focus on governmental accounting and our commitment to keeping our clients and our own professionals informed about significant developments in the industry.

The firm's staff totals 51 with offices in Tucson, Phoenix and Flagstaff, Arizona. Our extensive governmental practice in Arizona means that the City will receive high-quality, local service throughout this engagement. The firm's staff includes the following categories:

Our entire audit and consulting teams specialize in serving Arizona local governments.

Partners	9	Staff Associates	16
Managers	10	Audit Interns	3
Senior Associates	7	Administrative	6

Governmental Services Leader

Heinfeld, Meech & Co., P.C. is the industry leader for governmental audit services in the State of Arizona, currently providing audit services to over 180 governmental entities, including 17 Arizona municipalities. Our firm is a member of the American Institute of Certified Public Accountants (AICPA)



Governmental Audit Quality Center, which is committed to the highest standards of quality in governmental audits. The Center is a national community of CPA firms that demonstrate a commitment to governmental audit quality and raise awareness about the importance of governmental audits. The Center provides members with best practices, guidelines, and tools CPAs need to perform quality governmental audits and better serve their clients.

Corey Arvizu served as the Chair of the Executive Committee of the GAQC from 2008 to 2011.

Our exclusive focus on the governmental and nonprofit industries provides you with the security that we will not vacate the sector for other markets. Our focus on the public sector also ensures you that the assigned audit staff will be knowledgeable, experienced and qualified. Because of this emphasis on governmental accounting, our assistants will be properly trained and supervised to address the unique audit and reporting challenges of local governments.

Governmental Reporting Standards

As our firm primarily provides services to governmental entities, we commit significant resources to training our professional staff on governmental reporting standards and assisting our clients with the implementation of new reporting standards. Our firm has conducted numerous trainings on recent changes to reporting standards including those on the reporting entity, service concession arrangements, fair value measurement, and the pension and OPEB accounting and reporting requirements.

Single Audit Experience

Heinfeld, Meech & Co. has significant experience auditing federal programs under the requirements of Uniform Guidance; we complete over 20 percent of Single Audits for Arizona entities.

As Single Audits are so significant for our audit practice, we invest heavily in Single Audit resources. We ensure that our staff has access to reference materials needed to properly perform a Single Audit, including:

- AICPA audit guides and practice aids
- Uniform Guidance and reference materials
- The current OMB Compliance Supplement
- Single Audit practice aids by external providers
- Continuing professional education focused on Single Audit topics

Our firm also actively participates in addressing Single Audit issues and requirements for the audit profession. Partners Corey Arvizu and Jennifer Shields have been members of two different AICPA Task Forces developing Single Audit quality methods and strategies.

Seventeen of our audit supervisors have received the Advanced Single Audit Certificate issued by the AICPA. These certificates demonstrate a high level of competency in this specialized area of expertise.

We have extensive experience performing Federal compliance testing. The following list identifies some of the specific Federal programs that our firm has tested during governmental audits over the past three years:

- Community Development Block Grants
- Highway and Planning Construction
- Federal Transit Formula Grants
- Section 8 Housing Choice Vouchers
- Public Housing Capital Fund
- HOME Investment Partnerships Program
- Transit Services Program Cluster
- Capitalization Grants for Drinking Water State Revolving Funds
- Edward Byrne Memorial Justice Assistance Grant Program
- Homeland Security Grant Program
- Public and Indian Housing
- Public Safety Partnership and Community Policing Grants

2. Specific Qualifications

License to Practice in Arizona

Heinfeld, Meech & Co., P.C. is a properly licensed Arizona certified public accounting firm (license #463) and is a member firm of the American Institute of Certified Public Accountants. Seven firm partners and 14 other professional staff members are certified public accountants licensed in Arizona.

In addition, the engagement partner, engagement manager and lead auditor to be assigned to this engagement are properly licensed to practice public accounting in the State of Arizona.

Professional Affiliations

We maintain memberships in the following relevant industry organizations:

- AICPA Governmental Audit Quality Center
- Government Finance Officers Association
- Government Finance Officers Association of Arizona
- Association of Government Accountants
- Association of Certified Fraud Examiners
- American Institute of Certified Public Accountants
- Arizona State Society of Certified Public Accountants
- Information Systems Audit and Control Association

External Quality Control Review

As required by our profession and the State of Arizona, every three years we participate in a review of our system of quality controls. A report with a rating of pass was issued August 6, 2015, by the firm of Mann, Urrutia & Nelson, CPAs and Associates, LLP. A copy of this report is enclosed on the following page. The quality control review included all governmental audits performed by Heinfeld, Meech & Co., P.C., with an in-depth review of the working papers and reports, including audits of Arizona municipalities.

Federal and State Reviews

Our reports and working papers have successfully passed the desk and working paper reviews performed by the U.S. Department of Education, U.S. Department of Transportation, U.S. Department of Labor, Arizona Office of the Auditor General, and Arizona Department of Education. A detailed listing of these reviews will be provided upon request.

In addition, we have no record of substandard work and there has been no disciplinary action taken or pending against the firm with regulatory bodies or professional organizations.

SYSTEM REVIEW REPORT

To the Partners of Heinfeld, Meech & Co., P.C.
and the Peer Review Committee of the
CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Heinfeld, Meech & Co., P.C has received a peer review rating of *pass*.

Mann Urrutia Nelson CPAs

Sacramento, California

August 6, 2015

Independence

We have established the proper procedures to query our employees for any possible independence issues for all of our firm's audit engagements. We have determined that there are no independence issues as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's *Government Auditing Standards* (GAS) that would prevent us from issuing an opinion on the financial statements or financial reporting procedures of the City of Tucson or any of its component units.

Industry Involvement

We are involved with a number of industry organizations, committees and other activities. This provides us the opportunity to remain current on audit and reporting issues of the industry. The involvement of our Arizona-based partners and managers includes:

- Corey Arvizu is a member of the American Institute of Certified Public Accountants (AICPA) State & Local Government Expert Panel.
- Corey Arvizu served as the Chairperson of the Executive Committee of the AICPA's Governmental Audit Quality Center from 2008 to 2011.
- Brittney Williams is a current member of the AICPA's Governmental Audit Quality Center Executive Committee.
- Corey Arvizu was a member of the AICPA's Professional Ethics Executive Committee.
- Jennifer Shields has served on the AICPA Task Force on the Single Audit Training Needs and CPE Evaluation.
- Corey Arvizu is a member of the planning committee for the AICPA National Governmental & Not-for-Profit Training Program conference.
- Corey Arvizu was the chairperson for the AICPA Task Force on the SEFA.
- Corey Arvizu is a member of the AICPA Practice Monitoring Task Force for Single Audits.
- Brittney Williams served on the AICPA Single Audit Certificate Passing Score Setting Committee.
- Jennifer Shields serves on the committee for the Arizona Society of Certified Public Accountants (ASCPA) Annual Governmental Accounting Conference.
- Brittney Williams is a member of the Association of Government Accountants (AGA) Phoenix Chapter Education Committee.
- Casey Good served as the Treasurer of the AGA Southern Arizona Chapter from 2013 to 2016.
- We speak frequently at conferences and other courses offered sponsored by local and national organizations, including the AICPA, ASCPA, AGA, Government Finance Officers Association of Arizona (GFOAz), Association of School Business Officials International (ASBOI), and a number of state accounting societies.

Our Arizona partners and managers are actively involved in national and state organizations assuring you that we will provide you with high-quality, practical, and timely solutions from local professionals.

Presentations for Industry Organizations

As part of our active involvement in national and local organizations, we are frequently asked to share our expertise in the government field as presenters at conferences and trainings. Recent presentations made by members of our firm include:

Governmental Accounting from Easy Street to Life in the Fast Lane (GFOAz Winter Conference, February 2017)

Using Emotional Intelligence to Enhance Leadership Qualities (ASCPA Governmental Accounting Conference, February 2017)

FLSA - Going Beyond the Changes, What You Need to Know! (AASBO Winter Conference, February 2017)

Understanding Federal Programs from an Auditor Perspective (AASBO Winter Conference, February 2017)

Fraud: Internal Control Implications and Case Studies (AGA Southern Arizona Chapter Meeting, January 2017)

Internal Control in a Single Audit, Parts 1 and 2 (AICPA Governmental and Not-for-Profit Training Program, October 2016)

Evaluating and Reporting Findings in a Single Audit (AICPA Governmental and Not-for-Profit Training Program, October 2016)

Managing Grants and Risks: Lessons Learned from the Implementation of the Uniform Grant Guidance (ASBO International Annual Meeting & Expo, September 2016)

GASB Pension (ASBO International Annual Meeting & Expo, September 2016)

The Ins and Outs of Governmental Fraud Financial Statements (ASBO International Annual Meeting & Expo, September 2016)

Updates on SAS, Yellow Book, Ethics, Plus Some New and Current Fraud Features (AGA Phoenix Chapter 23rd Annual Professional Development Conference, April 2016)

Understanding Internal Controls - The New Green Book (GFOAz Winter Conference, February 2016)

Using Data Mining to Detect Fraud and Misuse of Public Monies (ASCPA Accounting & Reporting Standards Conference, January 2016)

The Changing Environment of Financial Reporting (Alaska GFOA 2015 Fall Conference, November 2015)

AICPA and SSARS Update (AICPA National Governmental and Not-for-Profit Training Program, October 2015)

3. References

The following references are municipalities whose financial statements have been recently audited by our firm. Additional references will be provided upon request.

City of Chandler

Contact: Dawn Lang, Management Services Director
MS 702/P. O. Box 4008
Chandler, AZ 85244-4008
(480) 782-2255
Dawn.Lang@chandleraz.gov

Scope of work: Financial statement audit, Single Audit, review of CAFR for GFOA submission, expenditure limitation report audit, HURF audit report, ADEQ landfill assurance, financial statement audits of Self-Insurance Fund, Workers' Compensation & Employer Liability Trust, Chandler Firefighters Employee Benefit Trust, and Chandler Cultural Foundation (non-profit)

Audit dates: June 30, 2003 through 2016

Engagement Partner: Corey Arvizu, CPA

Town of Gilbert

Contact: Cindi Mattheisen, CPA, Finance & Management Services Director
50 E. Civic Center Dr.
Gilbert, AZ 85296
(480) 503-6856
cindi.mattheisen@gilbertaz.gov

Scope of work: Financial statement audit, Single Audit, expenditure limitation report audit, HURF audit report, and review of CAFR for GFOA submission

Audit dates: June 30, 2004 through 2016

Engagement Partner: Corey Arvizu, CPA

City of Sierra Vista

Contact: David J. Felix, CPA, Finance Manager
1011 N. Coronado Dr.
Sierra Vista, AZ 85635
(520) 458-3315 ext 2204
david.felix@sierravistaaz.gov

Scope of work: Financial statement audit, Single Audit, expenditure limitation report audit, and review of CAFR for GFOA submission

Audit dates: June 30, 1991 through 2016

Engagement Partner: Michael A. Hoerig, CPA

City of Tucson

Town of Oro Valley

Contact: Stacey Lemos, CPA, Finance Director
11000 N. La Canada Dr.
Oro Valley, AZ 85737-7015
(520) 229-4732
slemos@orovallaz.gov

Scope of work: Financial statement audit, expenditure limitation report audit, CAFR preparation assistance, and review of CAFR for GFOA submission

Audit dates: June 30, 2007 through 2016

Engagement Partner: Corey Arvizu, CPA

City of Peoria

Contact: Yiannis Kalaitzidis, Accounting Supervisor
8401 W. Monroe St.
Peoria, AZ 85345
(623) 773-7344
yiannis.kalaitzidis@peoriaaz.gov

Scope of work: Financial statement audit of the City, Single Audit, review of CAFR for GFOA submission, financial statement audits of Vistancia Community Facilities District, Workers' Compensation Trust, and Employee Benefit Trust, HURF audit report, and expenditure limitation report audit

Audit dates: June 30, 2003 through 2016

Engagement Partner: Jill A. Shaw, CPA

City of Rio Rancho

Contact: Michele Finley, Accounting Division Manager
3200 Civic Center Circle NE
Rio Rancho, NM 87144-4501
(505) 896-8747
mfinley@rrnm.gov

Scope of work: Financial statement audit, Single Audit, and review of CAFR for submission to GFOA

Audit dates: June 30, 2003 through 2008, and 2014 through 2016

Engagement Partner: Michael A. Hoerig, CPA

4. Firm Philosophy

Client Service Approach

Heinfeld, Meech & Co. has worked with governments of all different sizes and complexities and our success has been dependent upon upholding the following goals for each engagement.

- **Providing National Expertise on the Local Level.** While Heinfeld, Meech & Co. is a local Arizona firm, we are also a recognized national leader in the governmental accounting industry. We are frequently called upon by national industry organizations such as the AICPA, ASCPA, GFOA and AGA to serve on committees or provide presentations at industry conferences. This extensive involvement in the industry by means that our Arizona partners and managers stay up-to-date about recent and upcoming changes in accounting and auditing standards that will affect your organization.
- **Dedication to Providing Best Practices.** We continually learn about our clients' operations and objectives, as well as the best ways to provide assistance on financial reporting and operational matters. The assigned engagement partner and lead auditor will be the primary contacts for any questions; however other senior members of our firm are available to provide technical assistance if needed. Our commitment to assisting our governmental clients also led us to develop a series of trainings and an annual conference that addresses on important accounting and management topics for local governments. If the City requires more extensive assistance, our full-time consulting division provides a range of services specifically designed to address the needs of governments.
- **Maintaining Communication.** Our working relationships rely upon open and regular communication with our clients. This ensures both the success of the audit engagement while keeping your organization's management and accounting objectives in the forefront. Frequent communication with management is a vital part of our work. We know that our clients' time is valuable and they often need assistance quickly. Our goal is to respond to all questions within one workday. Throughout the audit process, we will also regularly report our progress, on both a formal and informal basis.
- **Emphasis on Service Excellence.** Our success and growth has been dependent upon a superior level of client service. To ensure that our teams are providing the best service possible, we ask for feedback at the end of each engagement, asking clients to rate their satisfaction. All evaluations are reviewed by the engagement partner and manager and any concerns are addressed with the client immediately by either the engagement partner or our managing partner.

Engagement Staffing

The audit of the City of Tucson will be entirely managed and supervised from the firm's Tucson office to include the engagement partner, engagement manager, and lead auditor for this engagement. Direction and supervision exercised over the audit team to ensure compliance with professional standards, as well as a high level of client service, includes the following.

Responsibilities of the engagement partner include:

- Assistance with scheduling and team assignments
- Review of planning documentation and initial audit plan
- On-site assistance as required for critical portions of the audit
- Technical review of financial statements and working papers
- Responsibility to address any concerns from City management regarding audit matters
- Responsibility to address and complete technical and complex audit procedures
- Technical assistance to City personnel
- Authorization of issuance of audit reports to the City and other parties

Responsibilities of the engagement manager include:

- Assistance with planning of the audit engagement
- Plans and monitors overall audit progress
- Fieldwork supervision when the engagement partner is not on-site
- Supervision of lead auditor and any assigned associates during all phases of the audit
- Performance of testwork and evaluation of the City's internal controls as needed
- Evaluation of City's internal controls prior to substantive testing
- Evaluation of the City's financial records for compliance with generally-accepted accounting principles, federal and state laws, regulations, policies and procedures
- Additional analysis of City's accounts or performance of other audit work as necessary
- Responsibility to address and complete technical and complex audit procedures
- Technical assistance to City personnel
- Initial reviews of working papers and certain compliance reports

Responsibilities of the lead auditor include:

- Supervision of fieldwork at the City
- Providing technical assistance to City as necessary during the audit process
- Providing questionnaires with information to be prepared in advance by City before preliminary and final fieldwork
- Completion of audit procedures to meet deadlines, including delegation of work to assigned associates
- Interviewing City personnel for data and direction in obtaining information
- Supervision of other assigned associates during all stages of the audit
- Responsibility for maintenance of proper engagement working papers and supporting documentation
- Preparation of final assurance reports for clients
- Conducting entrance and exit conferences with clients

5. Detailed Method of Approach

This section of our proposal includes our audit approach needed to meet the engagement requirements listed in RFP No. 171651. This includes the audit objectives, audit segmentation, audit work plan, and detailed audit approach.

Audit Objectives

The following are audit objectives we expect to address for the financial statement audit of the City. During the planning stage of the audit, we may identify additional objectives specific to the City to be incorporated into our audit plan.

- All cash and investments on the balance sheet are on hand, in transit, or on deposit with third parties (depositories) in the name of the City.
- Depositories are legally acceptable; adequate collateral has been pledged at depositories for the City's deposits; and separate depository accounts are maintained for each fund as required.
- Cash balances reflect a proper cutoff of receipts and disbursements and are stated at the correct amount.
- Payroll (wages, salaries, and benefits) disbursements are made only for work authorized and performed.
- Payroll is computed using rates and other factors in accordance with contracts and relevant laws and regulations.
- Expenditures and cash disbursements are properly recorded for goods or services authorized and received and related accounts payable have all been identified.
- Expenditures for goods or services are authorized and in accordance with the budget and other regulations or requirements.
- Expenditures for goods or services and related disbursements and liabilities have been recorded correctly as to account, fund, budget category, period, and amount.
- All revenues resulting from valid transactions in this fiscal period have been recorded.
- Revenues have been billed or charged and recorded at the correct amount and in the correct fund, and receivables are stated at the net realizable amount.
- Account balances and transactions are properly classified in the financial statements, and related disclosures are adequate.
- Grants are administered, and grant revenues and expenditures are recorded, in accordance with grant provisions and related laws and regulations.
- Capital assets have been recorded at the correct amount in the proper asset category and assigned an appropriate useful life over which the asset will be depreciated.
- Fund balances and net position are properly stated.
- Long-term liabilities of the City and the related payments are properly recorded.

Estimated Hours by Audit Segment

Based upon our understanding of the City's operations and accounting systems, we estimate the following number of hours will be required to complete the City CAFR audit for the first year. Estimated hours by audit segment for additional audits will be provided upon request.

	Partner	Manager	Lead	Staff	Admin	Total
Audit planning:						
Development of audit programs	5	5	20	10		40
Risk assessment & materiality	5	5	20	10		40
Preliminary analytical procedures	5	5	10	10		30
Documentation internal controls	2	5	25	25		57
Other planning procedures	2	5	5	10		22
Substantive audit procedures:						
Assets -						
Cash and investments	5	10	50	25		90
Receivables	5	10	40	25		80
Capital assets	2	5	15	25		47
Other assets	3	5	20	20		48
Liabilities -						
Payables		5	20	20		45
Long-term debt	5	10	30	30		75
Other liabilities	5	5	20	30		60
Revenue -						
Taxes and intergovernmental	2	5	30	35		72
Grants and contributions	2	5	30	30		67
Charges for services	2	5	30	30		67
Other revenues		2	15	10		27
Expenses -						
Payroll related expenses		5	10	20		35
Goods and services expenses	2	5	15	20		42
Other expenses	2	5	15	15		37
Tests of operational controls		5	10	80		95
Compliance procedures	2	15	50	125		192
Audit conclusion:						
Analytical procedures	2	3	15	10		30
Final review of audit programs	5	5	5			15
Review of financial statements	10	10	5			25
Other conclusion procedures	2	5	20	10		37
Administrative					25	25
TOTAL	75	150	525	625	25	1,400

Audit Work Plan - Heinfeld, Meech & Co. Responsibilities

This section presents a general outline of the audit steps that we will perform to complete this engagement for the City. Our firm agrees to meet the time constraints and reporting deadline requirements specified in the RFP.

We estimate that two to four staff members will be onsite for fieldwork for approximately 12 weeks. Upon award of the contract, exact fieldwork dates will be determined upon discussions between assigned firm staff and the audit liaison with the City. Our specialization in the governmental industry will allow us to be flexible in working with you in order to complete your audit to meet your deadlines.

Audit Planning

Audit planning procedures will begin at the time of the contract award. These procedures will develop the audit team's understanding of the City's operations, will be used to clarify audit objectives, and will help with the development of a detailed audit plan tailored to the City.

- Preparation and issuance of engagement letter
- Conduct entrance conference with key personnel as deemed necessary
- Perform risk assessment procedures
 - Inquiries of management and staff
 - Preliminary analytical procedures
 - Observation of operations
 - Perform transaction walkthroughs
 - Engagement team discussions
- Develop an understanding of client, the environment and internal controls
 - Review prior year financial statements and applicable accounting records
 - Review of industry guides, regulatory information, statutes, internal/external reports, etc.
 - Preparation of process and control memorandums
 - Completion and review of internal control questionnaires
 - Obtain understanding of information technology systems
- Develop a preliminary judgment of materiality
- Develop a detailed audit plan to include preparation of audit programs
- Identification of major Federal programs for Single Audit, as applicable
- Identify responsibilities and assign tasks to the audit staff and City personnel
- Submit audit questionnaires to audit liaison for assignment to City staff
- Other planning procedures, as deemed necessary

Audit Procedures

Core audit procedures will largely be performed on-site at the City during scheduled fieldwork dates. City management and staff should be available during the scheduled fieldwork dates for discussions and to provide requested materials to the audit team. Our firm strives to minimize disruption for our clients by reducing the number of days at the City's site; therefore certain audit procedures may also be conducted from our office when appropriate and practical.

- Perform tests of key operational controls, such as:
 - Payroll and related benefits
 - Disbursements and accounts payable
 - Capital asset additions and deletions
 - Cash receipts, including taxes and charges for services
- Develop and perform compliance tests for applicable compliance requirements
 - Federal compliance requirements
 - State statutes and compliance requirements, as applicable
 - City policies and/or resolutions
 - Other contractual requirements, as applicable
- Perform substantive procedures on the primary financial statement accounts
 - Cash and investments
 - Receivables, including interfund balances
 - Capital assets
 - Payables, including accounts payable and accrued wages and benefits
 - Long-term debt, including compensated absences, bonds, loans, notes, and capital leases
 - Tax revenues
 - Net position liability and related accounts
 - Intergovernmental revenues, including grants and contributions
 - Charges for services (governmental and proprietary)
 - Other sources/uses, including interfund transfers, debt proceeds, and capital contributions
 - Payroll and related benefit expenditures/expenses
 - Goods and services expenditures/expenses
 - Debt service expenditures
- Other necessary audit procedures, if applicable
 - Evaluation of service organizations
 - Evaluation of internal audit function
 - Consideration of specialist work
 - Consideration of work performed by other auditors

Audit Conclusion

Audit conclusion procedures include the communication of the audit results to the City's management, quality control procedures over the audit, and drafting and final distribution of applicable audit reports to the City.

- Perform final analytical review procedures
- Perform subsequent events review
- Perform exit conferences with City staff upon completion of audit
- Perform final review of working papers and audit programs
- Audit staff to draft applicable audit and compliance reports
- Engagement partner to review financial statements and audit reports
- Secondary partner review of financial statements and key audit documentation, in accordance with firm policy
- Issuance of applicable audit communications
- Distribute final audit reports to applicable recipients

Extent and Use of Software

We will rely on City reports to the extent possible for the purpose of our analytical procedures and documentation of our audit procedures. A set of audit questionnaires will be provided to the City via e-mail approximately one month before each site visit. (These questionnaires may be provided earlier upon request of the City.)

Our firm also utilizes the following electronic resources:

- We recognize the importance of keeping the City's data secure. A secured client portal that meets industry standards will be used to receive data from and send information to the City. (Access to the internet-based portal is password-protected.) In addition, a folder within the portal is dedicated as a report archive, enabling the City to access prior year audit reports at any time.
- CCH electronic audit programs and basic software applications including word processing and spreadsheets to achieve our documentation and reporting objectives. In addition, the receipt of the City's trial balance in an Excel or comma-separated value (CSV) file format will facilitate the use of our software applications.
- IDEA data analysis software may be utilized to import, analyze, sample and/or extract data from the electronic data files provided by the City.

Information Technology

A review and evaluation of the City's information technology systems will be performed during the audit due to the integral nature and relationship to the financial reporting of the City. Both general information technology (IT) controls and application controls will be assessed during the planning of the audit. The audit procedures that will be applied to the City's IT systems will include:

- The determination of the effect of IT on the audit
- Understanding the IT controls
- Identification of IT risks

Systems tests for integrity, system security tests, use of computer assisted audit tools (CAATs), and/or the use of an IT specialist will be applied as deemed necessary to achieve the planned audit objectives.

In addition, our firm maintains a membership in the Information Systems Audit and Control Association (ISACA). The ISACA is a global organization for information governance, control, security and audit professionals and its Information Systems auditing and Information Systems control standards are followed by practitioners worldwide.



Review and Quality Control Procedures

As required by quality control standards, Heinfeld, Meech & Co., P.C. has developed and implemented quality control review procedures for the audit reports issued by the firm. The audit engagement partner is responsible for ensuring the financial and compliance audits issued comply with auditing standards generally accepted in the United States of America, Government Auditing Standards, Uniform Guidance, Arizona Revised Statutes, or other regulations, as applicable.

Both the engagement partner and the engagement manager perform quality control of the audit documentation requirements and adherence to audit standards throughout the audit. The engagement partner performs final quality control reviews on all reports and authorizes the release of the independent auditors' report to the client. Additional second quality control reviews by a non-engagement partner are completed for new industry areas, reports with complex or unusual accounting matters, or whenever deemed appropriate by the engagement partner.

The quality control review process of the firm includes the following procedures -

- Evaluation initial audit planning and risk assessment procedures by the engagement partner
- Detailed working papers review by engagement manager and engagement partner
- Determination that audit procedures addressed relevant audit areas
- Report referencing to disclosure checklist
- Consideration of uncorrected audit adjustments, if any
- Clearance of all open items prior to report issuance

B. Expertise of Firm's Key Personnel

1. Proposed Staff Members

The supervisory staff for this engagement is planned as listed below. Please see Tab D, Exhibit 1 for detailed professional resumes for these individuals.

Engagement Partner

Corey Arvizu, CPA – With 20 years of experience with HeinfeldMeech, Corey has been the engagement partner for 610 governmental audits, including over 124 audits of municipalities. His experience as engagement partner has included audits of the City of Chandler, Town of Oro Valley, Town of Gilbert, City of Maricopa, City of Tucson, City of Sierra Vista, City of Eloy, City of El Mirage, City of Rio Rancho, Regional Public Transportation Authority of Pima County, Valley Metro Regional Public Transportation Authority, Pima County Wastewater Reclamation Department, Arizona Department of Transportation, Pima Association of Governments, Tucson Unified School District, Pima County Employee Benefit Trust, Arizona State Retirement System, Tucson Supplemental Retirement System, City of Chandler Self-Insurers' Fund, and Public Safety Personnel Retirement System.

Corey is a current member of the AICPA State and Local Government Expert Panel and also served as the Chairperson for the Executive Committee for the AICPA's Governmental Audit Quality Center from 2008 to 2011. Corey is also a member of the AICPA's Practice Monitoring Task Force for Single Audits and the planning committee for the AICPA National Governmental & Non-for-Profit Training Program conference. He is a frequent speaker on governmental topics at industry events sponsored by organizations such as the AICPA, GFOA and AGA.

Corey also maintains memberships in the following professional organizations: AICPA, ASCPA, Association of Government Accountants (AGA), Government Finance Officers Association (GFOA), GFOA of Arizona (GFOAz), and Information Systems Audit and Control Association (ISACA). He also has received the Advanced Single Audit Certificate from the AICPA.

Engagement Manager

Christopher W. Heinfeld, CPA – Since joining our firm in 2007, Christopher has participated as a senior team member for over 100 financial statement and compliance audits for governments, including 23 audits of municipalities. His experience as an audit manager and lead auditor includes engagements for the City of Sierra Vista, Public Safety Personnel Retirement System, City of Maricopa, City of El Mirage, New Mexico Self-Insurers' Fund, New Mexico Military Institute, Sunnyside Unified School District, and Amphitheater Unified School District. He also assisted with the annual audits of the City of Tucson for fiscal years 2007 through 2011.

Christopher is also a member of the AICPA and the ASCPA, has spoken on GASB topics at several conferences sponsored by our firm, and has attended numerous courses related to governmental auditing and accounting offered by industry organizations such as the AICPA and ASCPA. Christopher has also received the Advanced Single Audit Certificate from the AICPA.

City of Tucson

Lead Auditor

Casey R. Good, CPA – With six years of experience in our firm’s auditing division, Casey has participated in 105 financial statement audits of local governments. His experience as an audit supervisor has included engagements for the Yuma County Intergovernmental Public Transportation Authority, Tucson Unified School District, Regional Transportation Authority of Pima County, Picture Rocks Fire District, Pima Association of Governments, San Xavier District of the Tohono O’odham Nation, Vail Unified School District, Catalina Foothills Unified School District, and Marana Unified School District. He also has assisted with the annual audits of the City of Rio Rancho, City of Tombstone, City of Maricopa, and the Public Safety Personnel Retirement System.

Casey is a member of the ASCPA, AICPA and Association of Government Accountants and has received the Advanced Single Audit Certificate from the AICPA. He also served as the Treasurer of the Southern Arizona Chapter of the AGA from 2013 to 2016. Casey regularly attends trainings related to governmental auditing and accounting offered by industry organizations such as the AICPA, ASCPA, and AGA Southern Arizona Chapter.

Audit Staff

Cynthia Rojo, CPA Candidate - Since joining firm in 2014, Cynthia has assisted with over 55 financial and compliance audits of governments. Her experience has included audits for the Yuma County Intergovernmental Public Transportation Authority, Drexel Heights Fire District, Northwest Fire District, City of Eloy, City of Sierra Vista, Town of Gilbert, Chaves County, Public Safety Personnel Retirement System, New Mexico Self-Insurers’ Fund, Nogales Unified School District, Gadsden Elementary School District, and Mammoth-San Manuel Unified School District.

Cynthia has completed multiple program-specific audits and agreed-upon procedures related to Federal programs and she has also assisted with GASB 67 and 68 procedures for the Public Safety Personnel Retirement System.

Continuing Professional Education

Each of the individuals to be assigned to the City’s audit, as well as every member of our client service team, complies with “Yellow Book” CPE requirements. Continuing education is a requirement of our staff to maintain their employment as professionals at Heinfeld, Meech & Co. In conformity with the GAS and the AICPA, our auditors receive at least 80 hours of continuing education every two years, with a minimum of 20 hours during each calendar year. Professionals who conduct a substantial portion of the field work or reporting on the audit attend and complete at least 24 hours of continuing education in subjects directly related to government accounting and auditing every two years. Detailed information on relevant continuing education completed by each proposed member of the assigned staff members is included in Tab D, Exhibit 2.

Staffing Approach

As all members of the audit team are familiar with local governments and their specific compliance and reporting requirements, our firm does not need to assign multiple partners and managers to ensure that the City's audit is completed effectively and timely. Our practice of providing a smaller, focused audit team containing an experienced supervisory associate creates efficiencies and reduces costs for audit engagements. However, if needed, other partners, managers and seniors will also be available to provide assistance.

With the largest governmental auditing team in Arizona, we are committed to providing our clients with knowledgeable, dedicated professionals. Due to the size of our firm and the breadth of our experience in your industry, any losses in personnel assigned to the City can be reassigned effectively to other auditors with similar qualifications. In accordance with the requirements listed in the Request for Proposal, any changes in key audit personnel will be approved by the City prior to the proposed change.

2. Responsibilities of the City

The following information outlines our understanding of what will be the responsibilities of the City's staff for the audit engagement. Our administrative processes for this engagement, including review and quality control procedures, are outlined in Tab A, Section 5 of this proposal.

Audit Planning

- Coordinate with audit lead to set a mutually agreed upon audit schedule
- Ensure availability of City accounting staff to conduct interviews regarding specific duties and responsibilities during the scheduled audit fieldwork dates
- Communicate with necessary City staff for availability during scheduled fieldwork
- Provide schedule of expenditure of federal awards or year-to-date general ledger file for planning of federal compliance procedures, as applicable
- Provide reports requested in advance by the auditors
- Audit liaison to coordinate and verify completion of audit questionnaire requests
- Entrance conference with audit staff, audit liaison and other staff as appropriate
- Provide copies of pertinent policies and procedures, grant agreements, budgets, and other relevant agreements, contracts, and documents to audit staff

Audit Completion

- Ensure availability of accounting and other necessary staff during scheduled audit fieldwork dates to provide information, locate supporting documentation and respond to inquiries for test work determined necessary by the audit staff
- Ensure availability of the grant program staff to provide information and respond to inquiries regarding compliance with applicable State and Federal requirements
- Provide final general ledger file to audit staff two weeks prior to final scheduled fieldwork
- City to provide supporting documentation related to significant balances required to compile the GAAP-based financial statements as indicated in the audit questionnaire requests.
- Provide draft of financial statements for review and comments
- Prepare and sign attorney representation letters as requested by the auditor

Audit Conclusion

- Exit conference with audit staff to discuss the financial statements and concluding timeline
- Prepare and sign management representation letter as provided by the firm
- Respond to final inquiries and requests of information necessary to conclude the audit
- Provide concurrence on auditor-prepared reports, as applicable
- Coordinate and arrange report presentation by auditors to the governing body, if desired

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 PHONE: (520) 837-4137/FAX: (520) 791-4735
 ISSUE DATE: Tuesday, February 7, 2017
Jenn.myers@tucsonaz.gov

REQUEST FOR PROPOSAL NO.: 171651
 RFP AMENDMENT NO.: One (1)
 PAGE 3 Of 4
 RFP DUE DATE: Thursday, February 16, 2017 @ 4:00 P.M., Local AZ Time
 SENIOR CONTRACT OFFICER: JENN MYERS

Item No. 2: REVISED PRICE PAGE: The Price page shall hereby be replaced in its entirety with the following:

REVISED PRICE PAGE

Fee must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

General Audit Work			
City CAFR*			
Level and Name	Hourly Rate	Hours	Amount
Partner	\$ 225	75	\$ 16,875
Manager	140	150	21,000
Senior (Lead)	115	525	60,375
Staff	90	625	56,250
Clerical	40	25	1,000
Out-of-Pocket			
Total Proposal		1,400	\$ 155,500

**In addition to the City's CAFR, this work includes TSRS CAFR, Tucson Water financial report (if published), and Self Insurance Trust reporting. Please indicate additional hours and costs necessary for providing separate opinions for the City's TSRS CAFR, Tucson Water financial report and Self Insurance Trust reports in the table below.*

Level	Hourly Rate	TSRS		Tucson Water		Self Insurance Trust	
		Hours	Amount	Hours	Amount	Hours	Amount
Partner	\$ 225	15	\$ 3,375	5	\$ 1,125	5	\$ 1,125
Manager	140	30	4,200	5	700	5	700
Senior	115	75	8,625	20	2,300	30	3,450
Staff	90	75	6,750	20	1,800	35	3,150
Clerical	40	5	200				
Out-of-Pocket							
Total Proposal		200	\$ 23,150	50	\$ 5,925	75	\$ 8,425

PROPOSAL EVALUATION REQUIREMENTS

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

- A. Firm's Experience, Professional Capability and Record of Performance
- B. Expertise of Firm's Key Personnel
- C. Price Proposal

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

A. Firm's Experience, Professional Capability and Record of Performance

1. Provide a brief history of the organization.
2. List the specific qualifications you have for supplying the services described in this RFP, including any professional designations and affiliations, certifications or licenses, etc.
3. Submit at least five (5) references from past municipal clientele. Information should include classification and description of services received.
4. Provide a brief description of your firm's philosophy. In particular, describe the manner in which you plan to provide service, effectively manage the City's account, and orient facility staff to account requirements.
5. Prepare a detailed Method of Approach to the Scope of Work which indicates the service proposed to be performed by the Offeror. This section should confirm the Offeror's understanding of this RFP. Offeror should clearly outline the recommended approach of the organization in meeting the responsibilities the City has outlined. The method and approach for each service should be addressed in a manner that reflects understanding and commitment to providing services as needed in a professional and timely manner.

B. Expertise of Firm's Key Personnel

1. Identify proposed staff members and submit resumes detailing respective qualifications. Proposal should include information on levels of training received by each staff member and detailed descriptions of their involvement with projects of similar or identical scopes. Provide the names and office locations of the persons to be assigned to the Tucson account, and identify the lead person. Indicate the education and experience background of each of the persons.
2. Clearly distinguish tasks that you will undertake as distinguished from those that are the responsibility of the City. Absence of this distinction shall mean the Offeror is fully assuming responsibility for all tasks. The proposal must address in depth how you plan to meet the requirements of each of the services and activities outlined in the Scope of Work of this RFP. Explain how your administrative process will ensure that appropriate levels of attention are given and that work is properly performed.

C. Price Proposal

1. Provide price proposal as requested on the Price Page attached herein.
2. As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0%, if payment is made within N/A days. These payment terms shall apply to all purchases and to all payment methods.
3. Cooperative Purchasing Program: Will your firm provide the City of Tucson, as the lead agency on this regional contract, a rebate in the form of a percentage of sales based upon the other agencies sales?
 Yes X No If yes, state proposed percentage: %
4. Will payment be accepted via commercial credit card? Yes X No
 - a. If yes, can commercial payment(s) be made online? Yes No
 - b. Will a third party be processing the commercial credit card payment(s)? Yes No
 - c. If yes, indicate the flat fee per transaction \$ (as allowable, per Section 5.2.E of Visa Operating Regulations).
 - d. If "no" to above, will consideration be given to accept the card? Yes X No

5. Does your firm have a City of Tucson Business License? Yes No
If yes, please provide a copy of your City of Tucson Business license.

III. **GENERAL**

A. **Shortlist:**

The City reserves the right to shortlist the offerors on the stated criteria. However, the City may determine that shortlisting is not necessary.

B. **Interviews:**

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. **Additional Investigations:**

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. **Prior Experience:**

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. **Multiple Awards:**

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

1. Professional Staff Resumes



Corey Arvizu, CPA – Engagement Partner



Corey Arvizu received his bachelor's degree in accountancy from Arizona State University and has 20 years of experience working with public sector and non-profit agencies. An expert in GASB pronouncements and auditing standards, he has provided auditing and accounting services to a wide range of entities including municipalities, state agencies, school districts, benefit and pension plans, special districts, and non-profit organizations.

In addition to financial audits, Corey has assisted our clients with policy and procedural reviews, special investigations, expenditure limitation reports, and MAS reviews for courts. He also has assisted several governmental entities plan and prepare for the additional requirements of new GASB statements.

Other Professional Development:

Corey has committed his time and efforts to assist both our clients and the profession. His professional accomplishments include:

- Member of the AICPA State and Local Government Expert Panel
- Chairperson of the AICPA's Governmental Audit Quality Center Executive Committee (2008-2011)
- Member of the AICPA's Practice Monitoring Task Force for Single Audits
- Special Review Committee member of the GFOA's certificate program (2006-2016)
- Member of the planning committee for the AICPA National Governmental & Not-for-Profit Training Program conference
- Speaker and trainer for the AICPA, State Societies, ASBO, GFOA and AGA
- Chairperson for the AICPA Task Force on the SEFA
- Recipient of the Advanced Single Audit Certificate from the AICPA

Selected Audit List:

- City of Chandler
- Town of Oro Valley
- Town of Gilbert
- City of Maricopa
- City of Eloy
- City of Sierra Vista
- City of El Mirage
- City of Rio Rancho
- City of Tucson
- Public Safety Personnel Retirement System
- Pima County Employee Benefit Trust
- Tucson Supplemental Retirement System
- City of Chandler Self-Insurers' Fund
- Pima County Wastewater Reclamation Department
- Arizona Department of Transportation
- Arizona State Retirement System
- Regional Transportation Authority of Pima County
- Valley Metro Regional Public Transportation Authority
- New Mexico Self Insurers' Fund
- Pima Association of Governments
- Tucson Unified School District

Contact Information:

(520) 903-6865

corey.arvizu@heinfeldmeech.com

Memberships:

Arizona license No. 11434-E
AICPA Member No. 01674896
GFOA Member No. 300100323
AGA Member No. 80082
ISACA Member No. 608571

Christopher W. Heinfeld, CPA – Engagement Manager



Christopher Heinfeld received a B.S. in Accounting from the University of Arizona. He has nine years of experience as an auditor with our firm. Christopher is recognized as a Certified Public

Accountant by the Arizona State Board of Accountancy (license #17815) and is a member of the AICPA and ASCPA. •

Knowledge and Experience:

- Audit manager or senior for more than 110 financial and compliance audits for local governments and non-profit organizations
- Recipient of the Advanced Single Audit Certificate from the AICPA
- Presenter at conferences sponsored by our firm and the New Mexico GFOA
- GASB 67 and 68 procedures for the Public Safety Personnel Retirement System
- Federal compliance rules and regulations
- Financial statement preparation for Greenlee County
- MAS review for municipal courts

Other Professional Development:

Christopher has expanded his knowledge with the following trainings:

- Professional Ethics Update for Arizona CPAs (*ASCPA*)
- Governmental Accounting Conference (*ASCPA*)
- Governmental Accounting and Auditing Update Conference (*AICPA*)
- Internal Controls (*AICPA*)
- Audits of State and Local Governmental Units (*MicroMash*)
- Fraud Considerations in Governmental, NPO, and Single Audits (*AICPA*)

Selected Audit List:

- City of Sierra Vista (2008 through 2016)
- Public Safety Personnel Retirement System (2012 through 2016)
- City of Maricopa (2010 through 2012, and 2016)
- City of El Mirage (2016)
- New Mexico Self-Insurers' Fund (2008, 2009, 2014, 2015 and 2016)
- City of Tombstone (2015)
- Town of Gilbert (2012 and 2014)
- City of Tucson (2007 through 2011)
- City of Chandler (2007, 2008, 2010, 2011)
- Chaves County (2011, 2013 and 2014)
- Regional Transportation Authority of Pima County (2007 through 2010)
- New Mexico Military Institute (2013 and 2014)
- Sunnyside Unified School District (2012 through 2016)
- Amphitheater Unified School District (2012 through 2016)
- Yuma Elementary School District (2011 through 2016)
- Sierra Vista Unified School District (2015 and 2016)
- Patagonia Elementary School District (2014 and 2015)
- Pima Association of Governments (2007 through 2010)

Contact Information:

(520) 903-6864

christopher.heinfeld@heinfeldmeech.com

Casey R. Good, CPA – Lead Auditor



Casey Good received a Master of Accounting degree from the University of Arizona. He has seven years of auditing experience with our firm.

Casey is also a Certified Public Accountant licensed in Arizona (#16339-E) and is a member of the ASCPA, AICPA, and Association of Government Accountants (AGA).

Knowledge and Experience:

- Supervisory team member on more than 85 financial and compliance audits for governmental and non-profit organizations
- Recipient of the Advanced Single Audit Certificate from the AICPA
- Reviews of CAFRs for ASBO's Certificate of Excellence Program
- Federal program agreed-upon procedures and program-specific audits for the ADE
- Instructor for firm-sponsored workshops and conferences
- Staffing model for Northwest Fire District
- Lead adopter of AICPA's Single Audit Certificate exam program
- Treasurer of the AGA Southern Arizona Chapter from 2013 to 2016

Other Professional Development:

Casey's continuing professional education has included courses on the following topics:

- Professional Ethics Update for Arizona CPAs (*ASCPA*)
- Governmental Accounting Conferences (*ASCPA*)
- Governmental Accounting and Update Conference (*AICPA*)
- Accounting and Reporting Standards Conference (*ASCPA*)
- GAO Standards: Yellow Book (*MicroMash*)
- GASB Statement No. 54 (*MicroMash*)

"I enjoy working with our clients to make their jobs easier while staying compliant."

Selected Audit List:

- Yuma County Intergovernmental Public Transportation Authority (2013 through 2016)
- Tucson Unified School District (2011 through 2016)
- Regional Transportation Authority of Pima County (2012 through 2014, and 2016)
- Picture Rocks Fire District (2013 and 2016)
- Pima Association of Governments (2011 through 2013, and 2016)
- San Xavier District of the Tohono O'odham Nation (2012 through 2014)
- Vail Unified School District (2016)
- Catalina Foothills Unified School District (2010 through 2016)
- Marana Unified School District (2013, 2015 and 2016)
- City of Rio Rancho (2015)
- City of Tombstone (2014)
- City of Maricopa (2012 and 2013)
- Public Safety Personnel Retirement System (2012 through 2014)
- Casa Grande Union High School District (2011 through 2016)
- Nogales Unified School District (2011 through 2016)

Contact Information:

(520) 903-6863

casey.good@heinfeldmeech.com

Cynthia Rojo – Senior Associate



Cynthia Rojo was awarded her B.S. in Accounting from the University of Arizona and joined our firm as a full-time associate in 2014. Cynthia has completed all sections of the Certified Public Accounting examination and is being recommended for CPA certification at the February 13, 2017 Arizona State Board of Accountancy meeting.

Knowledge and Experience:

- Experience working on more than 55 financial and compliance audits for local governments and non-profits
- Preparation of governmental financial statements
- Reviews of CAFRs for ASBO's Certificate of Excellence Program
- Single Audits (Uniform Guidance)
- Federal program-specific audits and agreed-upon procedures for the ADE
- GASB 67 and 68 procedures for the Public Safety Personnel Retirement System

Other Professional Development:

Cynthia's continuing professional education has included courses on the following topics:

- Professional Ethics Update for Arizona CPAs (*ASCPA*)
- GAQC 2015 Annual Update Webcast (*AICPA*)
- AASBO 2016 Annual Summer Conference
- AASBO 2017 Winter Conference
- Audit Procedures and Technical Updates Trainings for 2015 and 2016
- Conducting Audit Reviews
- Preparing Governmental Financial Statements
- Major Program Determination and Testing Major Programs

Selected Audit List:

- Yuma County Intergovernmental Public Transportation Authority (2016)
- Drexel Heights Fire District (2015 and 2016)
- Northwest Fire District (2015 and 2016)
- City of Eloy (2015)
- City of Sierra Vista (2015)
- Public Safety Personnel Retirement System (2014 through 2016)
- New Mexico Self-Insurers' Fund (2015 and 2016)
- Chaves County (2015)
- Town of Gilbert (2014)
- City of Tombstone (2014)
- Central Arizona Irrigation & Drainage District (2014)
- Picture Rocks Fire District (2015)
- New Mexico Military Institute (2014)
- Gadsden Elementary School District (2016)
- Nogales Unified School District (2015 and 2016)
- Douglas Unified School District (2015 and 2016)
- Mammoth-San Manuel Unified School District (2016)
- Casa Grande Union High School District (2016)
- Continental Elementary School District (2014 through 2016)
- Sunnyside Unified School District (2014 through 2016)
- Miami Area Unified School District (2014 and 2015)

Contact Information:

(520) 903-6866

cynthia.rojo@heinfeldmeech.com

2. Continuing Professional Education



Corey Arvizu
Continuing Professional Education - 2014-2016

Date	Class	Sponsor	Type	Total Hours	Gov. Hours
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	4
1/29/2014	Professional Ethics Executive Committee Meeting	American Institute of Certified Public Accountants (AICPA)	Live Seminar	9	
2/12/2014	Group Audits: A Look Back One Year Later and Lessons Learned	AICPA	Online (Audio - Live)	2	2
3/12/2014	Don't be the Last to Know: Fraud Considerations In Governmental, NPO, and Single Audits	AICPA	Online (Audio - Live)	2	2
3/13/2014	990 Training	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
3/21/2014	2014 Regional Meetings of Members of Council	AICPA	Live Seminar	4.5	
4/10/2014	Not-for-Profit Organizations: Accounting and Audit Update	CCH a Wolters Kluwer business	Live Seminar	2	
4/25/2014	The 21st Annual Professional Development Conference	Association of Government Accountants (AGA) Phoenix Chapter	Live Seminar	8	8
5/1/2014	Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10	7
5/8/2014	Professional Ethics Executive Committee Meeting	AICPA	Live Seminar	11	
6/5/2014	13th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
6/18/2014	2014 OMB Compliance Supplement and New Uniform Grant Guidance Key Points	AICPA	Online (Audio - Live)	2	2
7/23/2014	Defined Benefit Plans Part II - Actuarial Issues	AICPA	Online (Audio - Live)	2	
8/6/2014	Professional Ethics Executive Committee Meeting	AICPA	Live Seminar	9.5	
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
9/15/2014	AICPA Peer Review Program Advanced Course	AICPA	Live Seminar	8	
9/22/2014	ASBO International Annual Meeting & Expo	Association of School Business Officials International (ASBOI)	Live Seminar	9.5	9.5
10/22/2014	Governmental and Not-for-Profit Training	AICPA	Online (Audio - Live)	13	10
11/19/2014	Single Audits: History, Purpose, and Supercircular Improvements	AGA Southern Arizona Chapter	Live Seminar	1	1
11/20/2014	Society & Professional Issues Update	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	1	
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/21/2015	EBPAQC Designated Partner 2015 Audit Planning	AICPA	Online (Audio - Live)	2	
2/5/2015	Uniform Guidance for Federal Awards: Auditor Planning Considerations for the New Single Audit Rules	AICPA	Online (Audio - Live)	2	2
3/4/2015	GASB Pensions: Are You Ready for June 30, 2015, Audit Implementation?	AICPA	Online (Audio - Live)	2	2
3/18/2015	Joint Meeting - GASB Update, Finance & Accounting Best Practice Roundtable, Center for Governmental Auditing	AGA	Live Seminar	4	4
4/28/2015	GAQC 2015 Annual Update Webcast	AICPA	Webconference	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	ASCPA	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	8.5	6
6/4/2015	14th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
6/10/2015	2015 OMB Compliance Supplement and Single Audit Update	AICPA	Online (Audio - Live)	2	2
6/22/2015	Employee Benefit Plan Audit Quality and Firm Best Practices	AICPA	Online (Audio - Live)	2	
7/18/2015	Annual Summer Conference	Arizona Association of School Business Officials	Live Seminar	12	12
7/21/2015	What Is Unrelated Business Income and How do I Know If I Have It?	AICPA	Online (Audio - Live)	2	
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/15/2015	Revenue Recognition In a State and Local Government Environment	AICPA	Webconference	2	2

Corey Arvizu
Continuing Professional Education - 2014-2016

Date	Class	Sponsor	Type	Total Hours	Gov. Hours
10/16/2015	Professional Ethics update for AZ CPAs	ASCPA	Online (Self-Study)	4	
10/21/2015	AICPA Governmental and Not-for-Profit Training Program	AICPA	Live Seminar	14	12
10/26/2015	ASBO 2015 Annual Meeting	ASBOI	Live Seminar	6	6
12/17/2015	Society & Professional Issues Update	ASCPA	Live Seminar	1	
1/15/2016	January Training Day	Heinfield, Meech & Co., P.C.	Live Seminar	6	2.5
1/22/2016	EBPAQC Designated Partner 2016 Audit Planning	AICPA	Online (Video - Live)	2	
1/28/2016	2016 Local & State Governmental Conference	Heinfield, Meech & Co., P.C.	Live Seminar	4.5	2
2/12/2016	AICPA Peer Review Must-Select Industry Update: Governmental-Government Auditing Standards	ASCPA	Online (Video - Live)	2	
2/15/2016	Employee Benefit Plans	AICPA	Online (Audio - Recorded)	2	
2/16/2016	Not-for-Profit Governance: Risk Assessment and Internal Controls	AICPA	Online (Audio - Recorded)	2	
2/17/2016	Frequent Frauds Found in Governments	AICPA	Online (Audio - Recorded)	4	4
2/22/2016	Financial Statement Note Disclosures: Not-for-Profit Financial Reporting	AICPA	Online (Video - Live)	2	2
2/24/2016	The Continued Complexities of Auditing Governmental Pension Plans and Participating Employers	AICPA	Online (Audio - Recorded)	2	2
3/8/2016	Internal Control and Risk Assessment: Key Factors in a Successful Audit	AICPA	Online (Audio - Recorded)	8	
3/16/2016	Professional Skepticism and Maintaining the Public Trust	AICPA	Online (Audio - Live)	3	
4/28/2016	Annual Working Paper Updates and Inspection Training	Heinfield, Meech & Co., P.C.	Live Seminar	15.5	11.5
5/5/2016	Peer Review Update	AICPA	Online (Audio - Live)	2	
5/6/2016	Updates on SAS, Yellow Book, Ethics, Plus Some New and Current Fraud Features	AGA Phoenix Chapter	Teaching (CE Presenter)	4	4
5/18/2016	2016 State and Local Government Audit Planning Considerations	AICPA	Online (Audio - Live)	2	2
6/1/2016	15th Annual Client Conference for School District	Heinfield, Meech & Co., P.C.	Live Seminar	4.5	4.5
6/9/2016	Advanced Topics in a Single Audit: Pass-Through Awards, Reporting, Program-Specific Audits	AICPA	Online (Audio - Live)	1	1
6/9/2016	2016 OMB Compliance Supplements and Single Audit Update	AICPA	Online (Audio - Live)	2	2
6/9/2016	Advanced Topics in Single Audit: Introduction, Planning, Schedule of Expenditures and Awards, Determination of Major Programs	AICPA	Online (Self-Study)	2	2
6/9/2016	Advanced Topics in a Single Audit: Internal Control Over Compliance, Compliance Auditing, Audit Sampling	AICPA	Online (Self-Study)	2	2
9/9/2016	Building Great Teams and Technical Updates	Heinfield, Meech & Co., P.C.	Live Seminar	2	
9/25/2016	Managing Grants and Risks: Lessons Learned from the Implementation of the Uniform Grant Guidance	ASBOI	Teaching (CE Presenter)	2	2
9/25/2016	The Ins and Outs of Governmental Fund Financial Statements	ASBOI	Teaching (CE Presenter)	4	4
10/18/2016	Governmental and Not-for-Profit Training Program	AICPA	Live Seminar	7	6
			TOTAL:	286	170

Christopher Heinfeld
Continuing Professional Education - 2014-2016

<i>Date</i>	<i>Class</i>	<i>Sponsor</i>	<i>Type</i>	<i>Total Hours</i>	<i>Gov. Hours</i>
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	4	4
3/12/2014	Don't be the Last to Know: Fraud Considerations In Governmental, NPO, and Single Audits	American Institute of Certified Public Accountants (AICPA)	Online (Audio - Live)	2	2
4/30/2014	Annual Inspection & Updates Training - Day One	Heinfeld, Meech & Co., P.C.	Live Seminar	7	6
5/1/2014	Annual Inspection & Updates Training - Day Two	Heinfeld, Meech & Co., P.C.	Live Seminar	3.5	
5/1/2014	Annual Inspection & Updates Training - Day Two	Heinfeld, Meech & Co., P.C.	Live Seminar	7	3.5
5/9/2014	Accounting Skills 101 for Governments and Non-Profits	Heinfeld, Meech & Co., P.C.	Teaching (CE Presenter)	6	
6/5/2014	13th Annual School District Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/22/2015	2015 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	6	3
2/13/2015	Governmental Accounting Conference	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	8	8
4/28/2015	GAQC 2015 Annual Update Webcast	AICPA	Online (Audio - Live)	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	ASCPA	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10.5	8
6/4/2015	14th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
7/18/2015	Annual Summer Conference	Arizona Association of School Business Officials (AASBO)	Live Seminar	12	12
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
1/15/16	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	6	2.5
1/28/16	2016 Local & State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	4.5	2
3/8/16	2016 Audit Rule	New Mexico Office of the State Auditor	Live Seminar	3	3
4/28/16	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	15.5	11.5
6/1/16	15th Annual Client Conference for School District	Heinfeld, Meech & Co., P.C.	Live Seminar	4.5	4.5
7/23/16	Annual Summer Conference	AASBO	Live Seminar	12	12
8/9/16	Governmental Accounting and Auditing Update Conference	AICPA	Live Seminar	17	14.5
9/9/16	Building Great Teams and Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
			TOTAL:	165	119.5

Casey Good

Continuing Professional Education - 2014-2016

Date	Class	Sponsor	Type	Total Hours	Gov. Hours
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
2/6/2014	Joint Meeting - Tucson (Analytics and The Auditor's Role In Governance)	Association of Government Accountants (AGA) Southern Arizona Chapter	Live Seminar	4	4
2/19/2014	Arizona Tax Update	AGA Southern Arizona Chapter	Live Seminar	1	
3/12/2014	Don't be the Last to Know: Fraud Considerations in Governmental, NPO, and Single Audits	American Institute of Certified Public Accountants (AICPA)	Online (Audio - Live)	2	2
3/13/2014	990 Training	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
4/11/2014	2014 Spring Conference	Arizona Association of School Business Officials (AASBO)	Live Seminar	8	6
4/16/2014	Citizen-Centric Reporting	AGA Southern Arizona Chapter	Live Seminar	1	1
4/30/2014	Annual Inspection & Updates Training - Day One	Heinfeld, Meech & Co., P.C.	Live Seminar	7	6
5/1/2014	Annual Inspection & Updates Training - Day Two	Heinfeld, Meech & Co., P.C.	Live Seminar	7	3.5
5/8/2014	Accounting Skills 101 for Governments and Non-Profits	Heinfeld, Meech & Co., P.C.	Teaching (CE Presenter)	12	12
5/21/2014	Leadership and Wellbeing	AGA Southern Arizona Chapter	Live Seminar	1	
6/5/2014	Electronic Payments	Heinfeld, Meech & Co., P.C.	Teaching (CE Presenter)	2	2
6/5/2014	13th Annual School District Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	4	4
7/19/2014	AASBO Annual Summer Conference	AASBO	Live Seminar	12	12
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
11/19/2014	Single Audits: History, Purpose, and Supercircular Improvements	AGA Southern Arizona Chapter	Live Seminar	1	1
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/16/2015	Accounting and Reporting Standards Conference	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	8	
1/22/2015	2015 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	6	3
2/18/2015	In the News: Fraud in the Government Setting	AGA Southern Arizona Chapter	Live Seminar	1	1
3/18/2015	Joint Meeting - GASB Update, Finance & Accounting Best Practice Roundtable, Center for Governmental Auditing	AGA	Live Seminar	4	4
4/10/2015	Spring Conference	AASBO	Live Seminar	9	9
4/28/2015	GAGC 2015 Annual Update Webcast	AICPA	Online (Audio - Live)	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	ASCPA	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10.5	8
5/20/2015	Arizona Tax Update	AGA Southern Arizona Chapter	Live Seminar	1	1
6/4/2015	14th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
11/18/2015	Cybercrimes Update	AGA Southern Arizona Chapter	Live Seminar	1	
1/14/16	New Staff Training - 2016	Heinfeld, Meech & Co., P.C.	Teaching (CE Presenter)	6	6
1/15/16	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	6	2.5
1/28/16	2016 Local & State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	4.5	2
2/12/16	Governmental Accounting Conference	Arizona Society of Certified Public Accountants	Live Seminar	8	8
4/8/16	Spring Conference	AASBO	Live Seminar	8	8
4/28/16	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	15.5	11.5
6/1/16	15th Annual Client Conference for School District	Heinfeld, Meech & Co., P.C.	Live Seminar	4.5	4.5
8/9/16	Governmental Accounting and Auditing Update Conference	AICPA	Live Seminar	17	14.5
9/9/16	Building Great Teams and Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
9/14/16	Federal, State and Regional Funding for Transportation	AGA Southern Arizona Chapter	Live Seminar	1	1
			TOTAL:	205	155.5

Cynthia Rojo
Continuing Professional Education - 2014-2016

<i>Date</i>	<i>Class</i>	<i>Sponsor</i>	<i>Type</i>	<i>Total Hours</i>	<i>Gov. Hours</i>
9/3/2014	Introduction to Audit	Heinfeld, Meech & Co., P.C.	Live Seminar	7	7
9/4/2014	Preparing Governmental Financial Statements 101	Heinfeld, Meech & Co., P.C.	Live Seminar	6.5	6.5
9/5/2014	Non-Tech Training	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/5/2014	Workpaper Simulation	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
9/12/2014	Creating Efficiencies w/lt Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
4/23/2015	Report Draft Simulation	Heinfeld, Meech & Co., P.C.	Live Seminar	16	16
4/28/2015	GAQC 2015 Annual Update Webcast	American Institute of Certified Public Accountants (AICPA)	Online (Audio - Live)	2	2
4/28/2015	Major Program Determination, Testing Major Programs	Heinfeld, Meech & Co., P.C.	Live Seminar	2	2
4/28/2015	Misc. USFR Training	Heinfeld, Meech & Co., P.C.	Live Seminar	2	2
4/28/2015	Student Attendance Compliance	Heinfeld, Meech & Co., P.C.	Live Seminar	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10.5	8
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
1/15/2016	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	6	2.5
4/28/2016	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	15.5	11.5
6/1/2016	15th Annual Client Conference for School Districts	Heinfeld, Meech & Co., P.C.	Live Seminar	4.5	4.5
7/23/2016	Annual Summer Conference	Arizona Association of School Business Officials	Live Seminar	12	12
9/9/2016	Building Great Teams and Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
TOTAL:				108	86

3. Sample Governmental Conference Agenda



2017 Local & State Governmental Conference

Join us for this conference specifically designed for governmental finance and management personnel. This year's planned topics include:

- Refunding Bonds and Bond Market and Disclosure Updates
Mark Reader, Erika Coombs, and Randle Stein of Stifel, Nicolaus & Company
- Governmental Audit Update
Corey Arvizu, CPA, Managing Partner of HeinfeldMeech
- How to Avoid IRS Audits
- FLSA and Prop 206 Update
Karin M. Smith, MBA, CFE, SFO, Consulting Partner of HeinfeldMeech
- Best Practices for Your Investment Program
Paulina Woo, PFM, of Asset Management LLC
- Cybersecurity: Are We Prepared for Cyber-Centric Government?
Gail-Joon Ahn, Ph.D., Profession of Computer Science and Engineering, Arizona State University

Cost per person (includes lunch)

Clients: \$95

Non Clients (government employees only): \$140

Date/Time

Thursday, January 19, 2017, 9:00 am – 3:30 pm

Location

Chandler, AZ (Hilton Phoenix Chandler)

Registration Ends

Tuesday, January 10th

Early Bird Discount!

Register by 1/3
and save \$20!

ABOUT US

HeinfeldMeech is a CPA firm that has been dedicated to for local and state governments for 30 years. Our professional associations include the ASCPA, AICPA, Association of Certified Fraud Examiners, Association of Government Accountants, and GFOAz.

LEARNING OBJECTIVES

Attendees will learn about important issues facing finance and managerial staff of governmental entities in 2017.

CPE CREDIT

6 hours recommended

QUESTIONS?

HMU@HeinfeldMeech.com

or (520) 742-2611, ext 107 or ext 0



REGISTER ONLINE NOW

HeinfeldMeech.com/hmu

4. RFP Document, Signed Amendment and Business License



CITY OF TUCSON

REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER: 171651
PROPOSAL DUE DATE: February 16, 2017, AT 4:00 P.M. LOCAL AZ TIME
PROPOSAL SUBMITTAL LOCATION: Department of Procurement
255 W. Alameda, 6th Floor, Tucson, AZ 85701

MATERIAL OR SERVICE: AUDIT SERVICES

PRE-PROPOSAL CONFERENCE DATE: Thursday, February 2, 2017

TIME: 9:00 A.M. LOCAL AZ TIME

LOCATION: Department of Procurement
255 W. Alameda, 6th Floor, Tucson, AZ 85701

CONTRACT OFFICER: JENN MYERS
TELEPHONE NUMBER: (520) 837-4137
Jenn.myers@tucsonaz.gov

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: <http://www.tucsonprocurement.com/> by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit www.tucsonprocurement.com, click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

******ALERT******

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at http://www.tucsonprocurement.com/Bidders_Page.aspx and click on SBE or DBE.

JM/hb

PUBLISH DATE: 01/26/2017

INTRODUCTION

The City of Tucson, AZ (City) is seeking sealed proposals from qualified auditing firms (hereafter referred to as the "Consultant") to provide audit services of the City's books and accounts at a competitive price. The successful Consultant will work with the City and assume responsibility for the Scope of Work described below in accordance with an audit schedule as agreed upon between the City and the successful Consultant. The initial work performed under this contract will apply to fiscal year 17 (July 1, 2016 through June 30, 2017). For contract renewal periods the Scope of Work will apply to the applicable subsequent fiscal year.

BACKGROUND

The City of Tucson is a political subdivision of the State of Arizona, located in Pima County approximately 60 miles from the border of Mexico. The City of Tucson has a Council-Manager form of government. The legislative body establishes the policies for the city. The Mayor and Council set policy and appoint a City Manager to provide general supervision and direction for municipal operations

With a population of 530,000 Tucson is the second largest city in Arizona. The City's budget for FY17 is \$1.37 billion, of which \$436M is the General Fund. The City's fiscal year 2015 audited financial statements are available on the City's website at: https://www.tucsonaz.gov/files/finance/2015_CAFR_pdf.pdf. The City maintains high credit ratings on its outstanding debt: AA- on its general obligation bonds and A+ for its Certificates of Participation. The Finance Department is responsible for maintaining the accounts and books for the entire organization.

The City's Comprehensive Annual Financial Report (CAFR) contains the financial information of the entire organization. In addition to the City's CAFR, the City also issues a CAFR for the Tucson Supplemental Retirement System (TSRS). Tucson Water, a City utility department, periodically issues a financial report for the fiscal year. The City is also required to issue financial statements for the newly created Self Insurance Trust fund. In addition to these reports the City files statutorily required reports on expenditure limitations and single audit reporting, among the other required audit services detailed in the following scope of work.

SCOPE OF WORK

The Consultant shall provide the following services to the City of Tucson:

1. The Consultant will conduct an audit of the financial records and accounts of the City, for FY17 as provided by Section 15 of Chapter XIII of the Charter of the City of Tucson to include the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in the City's Comprehensive Annual Financial Report (CAFR). The management's discussion and analysis, major fund budgetary comparison information and pension plan disclosures are not part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. These areas require certain limited procedures, which consist principally of inquiries of management regarding the method of measurement and presentation of required supplementary information. The Consultant will perform this audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The audit report must also include a determination as to whether Highway User Revenue fund monies and any other dedicated state transportation revenues received by the City are being used solely for authorized transportation purposes.
2. The Consultant will perform an audit of federal funds in compliance with the Single Audit Act of 1984, including but not limited to ensuring that federal funds are being accounted for in compliance with applicable agreements and provisions of Federal law or regulations. As required by Government Auditing Standards and OMB Circular A-133, the Consultant will maintain the working papers for a minimum of three years from the date of the audit reports. These working papers will be made available to representatives of the cognizant audit agency (or its designee), other government audit staff and/or the United States General Accounting Office upon their request and after they have properly notified you on their request to review the working papers. The Consultant will also audit the HUD electronic submission in the REAC system. The Consultant will also input the appropriate information in the electronic version of REAC and the Single Audit including the data collection form, currently using the Federal Audit Clearinghouse website.
3. The Consultant will conduct an audit of the books and accounts for FY17 of the Tucson Supplemental Retirement System (TSRS) resulting in the issuance of an audit opinion on the City-prepared TSRS Comprehensive Annual Financial Report. The Consultant will issue the opinion letter no later than the mutually agreed upon date between the City and the Consultant as per written verifications that the books and accounts are closed and ready to be audited.
4. The Consultant will provide necessary audit services in order to include an attestation to the Expenditure Limitation Report filed with the State Auditor General for FY17, in accordance with Arizona Revised Statutes 41-1279.07. Also for FY17, the Consultant will provide an independent accountants' report on applying agreed-upon procedures in support of the financial test of self-insurance to demonstrate financial responsibility for closure, post-closure care, or corrective actions, as specified in 40 CFR Part 258 Subpart (G) Financial Assurance Criteria. Also, the Consultant will provide a letter to the State of Arizona after review of the Schedule of Local Transportation Assistance Fund II.
5. The Consultant will issue an opinion letter covering the FY17 CAFR for the City of Tucson. If Tucson Water issues an FY17 CAFR, the Consultant will issue a separate opinion for that report. The Consultant will conduct the audit within 120 days from receipt of written verification by the Finance Director that the financial records and accounts are closed and ready to be audited for the fiscal year ended June 30, 2017. Preliminary audit work (prior to June 30, 2017) may be necessary. The Consultant will conduct preliminary audit work during a mutually agreed upon date between the City and the Consultant. The Consultant will also provide necessary audit services in order to attest to the Federal Transit Agency Section 9 reporting and the Highway User Revenue funds level of effort.
6. The Consultant will review and assist with the City's assertion of compliance with the landfill financial test option regarding Code of Federal Regulation, Subpart G of Title 40, Part 258, Section 74.
7. The Consultant will provide additional similar audit services on an as needed basis for any financial related matters in which their understanding of the City's financial systems and internal controls will provide for efficiencies in having such additional or supplemental work performed.

8. Hard copies of the following reports, in the quantities specified, will be delivered to the Finance Director within the specified number of days from the receipt of written notification by the Finance Director that the books and accounts are closed and ready to be audited for the fiscal year ended June 30, 2017. Due dates for the reports will be mutually agreed upon by the City and Consultant as part of each fiscal year's audit schedule.
- A. Report on Examination of Federal Financial Assistance. Also complete the electronic Data Collection Form and provide a signed copy (4 copies)
 - B. General City and Water Management Letters and Internal Accounting Control Letter (4 copies of each)
 - C. Expenditure Limitation Report (2 copies)
 - D. Report on landfill closure, post-closure, financial assurance (2 copies)

INSTRUCTIONS TO OFFERORS

1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

City: The City of Tucson, Arizona

Contract: The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.

Contractor/Consultant: The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.

Contract Representative: The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

Director of Procurement: The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.

May: Indicates something that is not mandatory but permissible.

Offeror: The individual, partnership, or corporation who submits a proposal in response to a solicitation.

Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.

Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.
3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.
4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.
5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.
6. **PREPARATION OF PROPOSAL:**
 - A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
 - B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.
 - C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.

- D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
 - E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
 - F. Periods of time, stated as a number of days, shall be in calendar days.
 - G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
 - H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
 - I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.
7. **PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.
8. **TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.
9. **PROPOSAL/SUBMITTAL FORMAT:** An original and 5 copies (6 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2003 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.
10. **EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.
11. **PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.
12. **CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
13. **CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
- A. The submission of the offer did not involve collusion or other anti-competitive practices.
 - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
 - C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
 - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

- 14. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 15. LATE PROPOSALS:** Late proposals will be rejected.
- 16. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 17. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 18. DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 19. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).
- 20. VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at <http://www.tucsonprocurement.com/> by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.
- 21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.
- 22. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.
- 23. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
- (1) waive any immaterial defect or informality; or
 - (2) reject any or all proposals, or portions thereof; or
 - (3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

- 24. PROPOSAL RESULTS:** The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at <http://www.tucsonprocurement.com/> upon issuance of a Notice of Intent to Award or upon final contract execution.

- 25. PROTESTS:** A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:
- A. The name, address, and telephone number of the protestant;
 - B. The signature of the protestant or its representative;
 - C. Identification of the Request for Proposal or Contract number;
 - D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
 - E. The form of relief requested.

LIVING WAGE REQUIREMENT

Chapter 28, Article XIV of the Tucson Procurement Code requires that a living wage be paid to certain employees of Contractors and their applicable subcontractors who are performing services for the City of Tucson. This solicitation, and the resulting Contract, is subject to the referenced Article. By signing the Offer and Acceptance page, Bidder/Offeror agrees to comply with the requirements of the Article.

In accordance with Sec. 28-155 of the Tucson Procurement Code, an eligible employee is defined as an employee of the Contractor or their subcontractor who:

- (a) is not a person who provides volunteer services that are uncompensated except for reimbursement of expenses such as meals, parking or transportation;
- (b) expends chargeable time providing services to the City and on City property;
- (c) Is at least sixteen (16) years of age.

Eligible employees shall be paid no less than the living wage for the time they spend providing services to the City on City property. In accordance with Sec. 28-157 of the Tucson Procurement Code, the living wage is as follows:

- If health benefits are offered, and if the Contractor pays no less than fifty (50) percent of the eligible employee's health benefits premium, a wage of no less than \$10.39 per hour; or
- If no health benefits are offered, or if the Contractor pays less than fifty (50) percent of the eligible employee's health benefits premium, a wage of no less than \$11.62 per hour.

Proof of compliance with this policy shall be provided by the successful Bidder/Offeror upon notification by the City of its intent to award a Contract.

Notwithstanding the Severability clause under the Standard Terms and Conditions section of this document, if the provisions of this clause become unenforceable for any reason, the City reserves the right to terminate this Contract without penalty or liability. In the event the City negotiates an adjustment to the terms, conditions, or price acceptable to the parties, then this Contract shall continue until expiration.

In accordance with Sec. 28-158 of the Tucson Procurement Code, the following shall apply to compliance with wage requirement:

The City's Director of Procurement shall monitor compliance, including the investigation of claimed violations, and may promulgate administrative rules and regulations to implement and enforce this Article. In the event of any violation of the provisions set forth in this Article, the responsible Contractor and any applicable subcontractors shall be liable for the unpaid wages and shall pay the eligible employee any amounts underpaid. The City's Director of Procurement is additionally authorized to take any one or more of the following remedies in the event of a written determination of noncompliance:

- (a) Liquidated damages paid to the City in the amount of \$50.00 for each incidence of non-compliance for each day of non-compliance and/or each day it continues;
- (b) Suspension of further payments under the Contract until the violation has ceased;
- (c) Suspend and/or terminate the Contract for cause; and/or
- (d) Debar or suspend the Contractor or subcontractor from future City contracts pursuant to Tucson Procurement Code, Chapter 28, Article IX.

Protests or appeals of the Director's remedies for non-compliance shall be in accordance with Article IX.

In accordance with Sec. 28-159 of the Tucson Procurement Code, the following shall apply to records:

- (a) The Contractor and any applicable subcontractor shall make the records required available for inspection, copying, or transcription by authorized representatives of the City's Director of Procurement, and shall permit such representatives to interview employees during working hours on the job. If the Contractor and any applicable subcontractor fails to submit the required records or make them available, the Director may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to Article IX.
- (b) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all eligible employees. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid.

All inquiries regarding the Living Wage program may be directed to the Contract Officer responsible for this solicitation.

CITY OF TUCSON CERTIFICATION OF LIVING WAGE PAYMENTS

(This form must be completed by the Contractor and each applicable subcontractor.)

Contract Number: 171651

Contractor or Sub Name: Heinfeld, Meech & Co., P.C.

(Please Check Only One of the Following Two Options)

I do hereby agree to pay all eligible employees working on the above-referenced contract a minimum of \$10.39 per hour and provide health benefits. I also agree to pay at least 50% of the eligible employees' health benefits premium. Our firm's health insurance provider(s) are listed below:

Name of Health Insurance Company: United HealthCare

Address: Dept. CH 10151, Palatine, IL 60055-0151

Telephone: (888) 842-4571

Fax Number: Unknown

Plan or Program Number: 911-87726-04

Monthly premium paid by employer: \$259.05 Monthly premium paid by employee \$0-\$67.54*

* Depending on type of insurance plan selected by the employee.

Name of Health Insurance Company: _____

Address: _____

Telephone: _____


Fax Number: _____

Plan or Program Number: _____

Monthly premium paid by employer: _____ Monthly premium paid by employee _____

_____ I do hereby agree to pay all eligible employees working on the above-referenced contract a minimum of \$11.62 per hour. I **do not** offer health benefits to eligible employees working on this contract and/or I **do not** pay at least 50% of the eligible employees' health benefits premium.

Heinfeld, Meech & Co., P.C.
(Contractor /Sub-Contractor Name)

by 
(Signature)

2/10/17
(Date)

Partner - Administration
(Title)

PROPOSAL EVALUATION REQUIREMENTS

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

- A. Firm's Experience, Professional Capability and Record of Performance
- B. Expertise of Firm's Key Personnel
- C. Price Proposal

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

A. Firm's Experience, Professional Capability and Record of Performance

1. Provide a brief history of the organization.
2. List the specific qualifications you have for supplying the services described in this RFP, including any professional designations and affiliations, certifications or licenses, etc.
3. Submit at least five (5) references from past municipal clientele. Information should include classification and description of services received.
4. Provide a brief description of your firm's philosophy. In particular, describe the manner in which you plan to provide service, effectively manage the City's account, and orient facility staff to account requirements.
5. Prepare a detailed Method of Approach to the Scope of Work which indicates the service proposed to be performed by the Offeror. This section should confirm the Offeror's understanding of this RFP. Offeror should clearly outline the recommended approach of the organization in meeting the responsibilities the City has outlined. The method and approach for each service should be addressed in a manner that reflects understanding and commitment to providing services as needed in a professional and timely manner.

B. Expertise of Firm's Key Personnel

1. Identify proposed staff members and submit resumes detailing respective qualifications. Proposal should include information on levels of training received by each staff member and detailed descriptions of their involvement with projects of similar or identical scopes. Provide the names and office locations of the persons to be assigned to the Tucson account, and identify the lead person. Indicate the education and experience background of each of the persons.
2. Clearly distinguish tasks that you will undertake as distinguished from those that are the responsibility of the City. Absence of this distinction shall mean the Offeror is fully assuming responsibility for all tasks. The proposal must address in depth how you plan to meet the requirements of each of the services and activities outlined in the Scope of Work of this RFP. Explain how your administrative process will ensure that appropriate levels of attention are given and that work is properly performed.

C. Price Proposal

1. Provide price proposal as requested on the Price Page attached herein.
2. As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0%, if payment is made within N/A days. These payment terms shall apply to all purchases and to all payment methods.
3. Cooperative Purchasing Program: Will your firm provide the City of Tucson, as the lead agency on this regional contract, a rebate in the form of a percentage of sales based upon the other agencies sales?
 Yes X No If yes, state proposed percentage: %
4. Will payment be accepted via commercial credit card? Yes X No
 - a. If yes, can commercial payment(s) be made online? Yes No
 - b. Will a third party be processing the commercial credit card payment(s)? Yes No
 - c. If yes, indicate the flat fee per transaction \$ (as allowable, per Section 5.2.E of Visa Operating Regulations).
 - d. If "no" to above, will consideration be given to accept the card? Yes X No

5. Does your firm have a City of Tucson Business License? Yes No
If yes, please provide a copy of your City of Tucson Business license.

III. GENERAL

A. Shortlist:

The City reserves the right to shortlist the offerors on the stated criteria. However, the City may determine that shortlisting is not necessary.

B. Interviews:

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. Additional Investigations:

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. Prior Experience:

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. Multiple Awards:

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

SPECIAL TERMS AND CONDITIONS

1. INSURANCE:

The Contractor agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)*¹	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
IV. Professional Liability (Errors & Omissions) - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000
V. Professional Liability – Technology Errors & Omissions - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

*¹ Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

- D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:
 - 1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
 - 2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.

3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- E. **NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. **ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- G. **VERIFICATION OF COVERAGE:** Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

2. PRICE ADJUSTMENT: The City will review fully documented requests for price adjustment after any Contract has been in effect for one (1) year. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested price adjustment or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the Contract extension.

3. TERM AND RENEWAL: The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

4. COOPERATIVE PURCHASING: Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement are eligible to participate in any subsequent Contract. See http://www.tucsonprocurement.com/coop_partners.aspx and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor

may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

5. KEY PERSONNEL: It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to and subsequent concurrence by the City.

If key personnel are not available for work under this Contract for a continuous period exceeding thirty calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
7. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
8. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
9. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
10. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
 - A. Amend the contract or enter into supplemental verbal or written agreements;
 - B. Grant time extensions or contract renewals;
 - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

- 12. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.
- 13. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 14. EQUAL PAY:** The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).
- 15. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 16. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 17. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 18. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

- 19. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

20. INDEMNIFICATION: To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

21. INDEPENDENT CONTRACTOR: It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

22. INSPECTION AND ACCEPTANCE: All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

23. INTERPRETATION-PAROLE EVIDENCE: This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

24. ISRAEL BOYCOTT DIVESTMENTS: Acceptance of the contract warrants that the vendor is in compliance with A.R.S. § 35-393 and does not participate in a boycott of Israel as that term is defined within A.R.S. § 35-393.

25. LICENSES: Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

26. LIENS: All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

27. NO REPLACEMENT OF DEFECTIVE TENDER: Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

- 28. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.
- 29. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.
- 30. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

- 31. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
- 32. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 33. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 34. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 35. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 36. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 37. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.

- 38. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 39. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 40. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 41. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

- 42. TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
- 43. WARRANTIES:** Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

PRICE PAGE

Fee must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

General Audit Work			
City CAFR*			
Level and Name	Hourly Rate	Hours	Amount
Partner	\$		\$
Manager			
Senior			
Staff			
Clerical			
Out-of-Pocket			
Total Proposal			\$

**In addition to the City's CAFR, this work includes TSRS CAFR, Tucson Water financial report (if published), and Self Insurance Trust reporting. Please indicate additional hours and costs necessary for providing separate opinions for the City's TSRS CAFR, Tucson Water financial report and Self Insurance Trust reports in the table below.*

Level	Hourly Rate	TSRS		Tucson Water	
		Hours	Amount	Hours	Amount
Partner	\$		\$		\$
Manager					
Senior					
Staff					
Clerical					
Out-of-Pocket					
Total Proposal			\$		\$

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT

REQUEST FOR PROPOSAL NO. 171651

AUDIT SERVICES

AMENDMENT NO. ONE (1)

DATE ISSUED: TUESDAY, FEBRUARY 7, 2017

The referenced document has been modified as per the attached Amendment No. One (1).

Please sign this Amendment where designated and return the executed copy with the submission of your proposal. This amendment is hereby made part of the referenced proposal as though fully set forth therein. Any questions regarding this amendment should be addressed to Jenn Myers, Senior Contract Officer at (520) 837-4137 or jenn.myers@tucsonaz.gov.

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4137/FAX: (520) 791-4735
ISSUE DATE: Tuesday, February 7, 2017
Jenn.myers@tucsonaz.gov

REQUEST FOR PROPOSAL NO.: 171651
RFP AMENDMENT NO.: One (1)
PAGE 1 Of 4
RFP DUE DATE: Thursday, February 16, 2017 @ 4:00 P.M., Local AZ Time
SENIOR CONTRACT OFFICER: JENN MYERS

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

AUDIT SERVICES

ITEM NO.1: QUESTIONS: The City has received the following questions. A response to those questions is below.

Question: How long have the current auditors been performing the audit for the City?

Answer: The current contract with the City of Tucson began April 16, 2012. The contract can be found at the following link:

http://tucsonprocurement.com/internal_SearchResults.aspx?ContractNum=120452&ContractTitle=&Keywords=&VendorName=&Department=&selecttype=Internal&orderby=ContractTitle

Question: How many auditors and how many weeks were the auditors on site for both interim and year end field work?

Answer: The time varies each audit.

Question: What is the desired timeline for: Interim, Year-End, Draft Report and Final Reports?

Answer: Interim timeline is to be determined. Year-End timeline: June is fiscal year end. Final entries prepared between July - Sept. Draft Report timelines are Oct/Nov. Final report timelines are Nov/Dec

Question: What were the prior audit fee(s)?

Answer: The contract and pricing information can be found at the following link:

http://tucsonprocurement.com/internal_SearchResults.aspx?ContractNum=120452&ContractTitle=&Keywords=&VendorName=&Department=&selecttype=Internal&orderby=ContractTitle

Question: How many journal entries were proposed by the auditors? Were there any findings?

Answer: Please see Single Audits available online at the following link:
<https://www.tucsonaz.gov/finance/single-audit>

Question: Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?

Answer: Not that the City is aware of.

Question: Has the City entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
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P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4137/FAX: (520) 791-4735
ISSUE DATE: Tuesday, February 7, 2017
Jenn.myers@tucsonaz.gov

REQUEST FOR PROPOSAL NO.: 171651
RFP AMENDMENT NO.: One (1)
PAGE 2 Of 4
RFP DUE DATE: Thursday, February 16, 2017 @ 4:00 P.M., Local AZ Time
SENIOR CONTRACT OFFICER: JENN MYERS

Answer: No.

Question: Any New Debt Issuances in the Current Fiscal Year?

Answer: Issuances and refundings can occur any fiscal year. City usually has at least a couple every year.

Question: Is the City involved in any litigation not included in the Prior Year Financial Statements?

Answer: No.

Question: Any other Major Changes in the Current Fiscal Year that would affect the operations of the City?

Answer: No.

Question: Does the City prepare a draft of the CAFR and Single Audit Report or only the TSRS report?

Answer: Yes, the City prepares a CAFR and Single Audit.

Question: Approximately when does the City expect to have their books closed?

Answer: October

Question: How many audit adjustments were made by the prior auditor in FY15?

Answer: The answer is not available at this time. Prior year SEFA's are available on the City's website mentioned above.

Question: How many audit adjustment were 'PBC', proposed by the City, after the initial trial balances were delivered?

Answer: The answer is not available at this time. Prior year SEFA's are available on the City's website mentioned above.

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 PHONE: (520) 837-4137/FAX: (520) 791-4735
 ISSUE DATE: Tuesday, February 7, 2017
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REQUEST FOR PROPOSAL NO.: 171651
 RFP AMENDMENT NO.: One (1)
 PAGE 3 Of 4
 RFP DUE DATE: Thursday, February 16, 2017 @ 4:00 P.M., Local AZ Time
 SENIOR CONTRACT OFFICER: JENN MYERS

Item No. 2: REVISED PRICE PAGE: The Price page shall hereby be replaced in its entirety with the following:

REVISED PRICE PAGE

Fee must be inclusive of all costs, including but not limited to, direct and indirect costs for labor, overhead, materials, printing, travel and mileage, postage, etc.

General Audit Work			
City CAFR*			
Level and Name	Hourly Rate	Hours	Amount
Partner	\$		\$
Manager			
Senior			
Staff			
Clerical			
Out-of-Pocket			
Total Proposal			\$

*In addition to the City's CAFR, this work includes TSRS CAFR, Tucson Water financial report (if published), and Self Insurance Trust reporting. Please indicate additional hours and costs necessary for providing separate opinions for the City's TSRS CAFR, Tucson Water financial report and Self Insurance Trust reports in the table below.


Level	Hourly Rate	TSRS		Tucson Water		Self Insurance Trust	
		Hours	Amount	Hours	Amount	Hours	Amount
Partner	\$		\$		\$		\$
Manager							
Senior							
Staff							
Clerical							
Out-of-Pocket							
Total Proposal			\$		\$		\$

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4137/FAX: (520) 791-4735
ISSUE DATE: Tuesday, February 7, 2017
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REQUEST FOR PROPOSAL NO.: 171651
RFP AMENDMENT NO.: One (1)
PAGE 4 Of 4
RFP DUE DATE: Thursday, February 16, 2017 @ 4:00 P.M., Local AZ Time
SENIOR CONTRACT OFFICER: JENN MYERS

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ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

 2/10/17
Signature Date
Diane Bradley, Partner - Administration
Print Name and Title

Heinfeld, Meech & Co., P.C.
Company Name
10120 N. Oracle Rd.
Address
Tucson AZ 85704
City State Zip



City of Tucson

License Certificate

Business Name and Tucson Mailing Address:

HEINFELD MEECH & CO PC
10120 N ORACLE RD
TUCSON AZ 85704-7646

License Number: 1073110

Type: Offices of Certified Public Accountants

Issue Date: December 30, 2016

Expiration Date: December 31, 2017

Owner:

HEINFELD MEECH & CO PC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.

FOLD HERE

CITY OF TUCSON, ARIZONA

FINANCE DEPARTMENT

REVENUE DIVISION - LICENSE

Expiration Date: December 31, 2017



Non-Transferable

1073110

**MUST BE DISPLAYED IN
A CONSPICUOUS PLACE**

Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson.

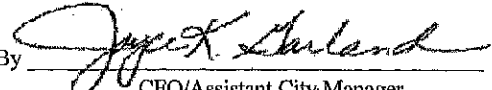
Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: HEINFELD MEECH & CO PC

Located At: 10120 N ORACLE RD, TUCSON, AZ 85704

Effective: January 01, 2017

Please refer to license number in all correspondence.

By 
CFO/Assistant City Manager



CERTIFICATE OF LIABILITY INSURANCE

HEINF-1

OP ID: KZ

DATE (MM/DD/YYYY)

03/29/17

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

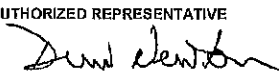
PRODUCER THE MAHONEY GROUP - TUCSON 5330 N. La Cholla Blvd Tucson, AZ 85741-3815 Drew A. Newton ARM, CIC, CPCU	Phone: 520-795-8511 Fax: 520-795-8542	CONTACT NAME: Jerry W. Harris PHONE (A/C, No, Ext): 520.784.6683 FAX (A/C, No): 520.795.8542 E-MAIL ADDRESS: jwharris@mahoneygroup.com
	INSURER(S) AFFORDING COVERAGE	
INSURED Heinfeld, Meech & Co., PC 10120 N. Oracle Rd. Tucson, AZ 85704	INSURER A: Sentinel Insurance Company NAIC # 11000	
	INSURER B: Hartford Casualty Ins. Co. 29424	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			59SBAE08336	05/14/16	05/14/17	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			59UECPC3949	05/14/16	05/14/17	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
							\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			59SBAE08336	05/14/16	05/14/17	EACH OCCURRENCE \$ 3,000,000
	<input type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR					AGGREGATE \$ 3,000,000
	<input type="checkbox"/> CLAIMS-MADE						\$
	DED RETENTION \$						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			69WECEX2914	05/31/16	05/31/17	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 City of Tucson is Additional insured per SS0008 (04/05) attached.
 Re: RFP No. 171651

CERTIFICATE HOLDER CITY--2 City of Tucson Department of Procurement Attn: Jennifer Myers, P. O. Box 27210 Tucson, AZ 85726-7210	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

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BUSINESS LIABILITY COVERAGE FORM

**QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY**

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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **C. - Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G. - Liability And Medical Expenses Definitions**.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **D. - Liability And Medical Expenses Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C. - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C. - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

BUSINESS LIABILITY COVERAGE FORM

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
 - (1) All expenses we incur.
 - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - (5) All costs taxed against the insured in the "suit".
 - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

BUSINESS LIABILITY COVERAGE FORM

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

BUSINESS LIABILITY COVERAGE FORM

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

BUSINESS LIABILITY COVERAGE FORM

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or

released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

BUSINESS LIABILITY COVERAGE FORM

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

BUSINESS LIABILITY COVERAGE FORM

- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

BUSINESS LIABILITY COVERAGE FORM

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

(10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;

(11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

(12) Arising out of:

(a) An "advertisement" for others on your web site;

(b) Placing a link to a web site of others on your web site;

(c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

(d) Computer code, software or programming used to enable:

(i) Your web site; or

(ii) The presentation or functionality of an "advertisement" or other content on your web site;

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

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2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. **Products-Completed Operations Hazard**
Included with the "products-completed operations hazard".
- g. **Business Liability Exclusions**
Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises; or
 - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b. above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**E. LIABILITY AND MEDICAL EXPENSES
GENERAL CONDITIONS**

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

BUSINESS LIABILITY COVERAGE FORM

This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

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(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2)** The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

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Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

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- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs:
 - a. Stored as or on;
 - b. Created or used on; or
 - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
 8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
 11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section **D.** – Liability and Medical Expenses Limits of Insurance.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

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- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
- (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
- (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

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- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
20. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
23. "Volunteer worker" means a person who:
- a. Is not your "employee";

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- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

