

**REQUEST FOR PROPOSALS  
(RFP) # 17-FIN081016  
TRANSACTION PRIVILEGE TAX (TPT) AUDITOR SERVICES  
CITY OF MARICOPA, ARIZONA**

**INTRODUCTION**

The City of Maricopa "City" will accept competitive sealed proposals from a qualified firm for TPT Tax Auditor Services at the address or physical location until the date and time detailed below. Proposals shall be delivered to the location listed below and shall be in the actual possession of the City on or prior to the exact date and time indicated below. Late proposals will not be considered.

***Proposals shall be submitted in a sealed package with "RFP #17-FIN081016 Transaction Privilege Tax (TPT) Auditor Services" and the Offeror's name and address clearly indicated on the front of the package.*** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the ***entire*** Request for Proposal (RFP).

Pre-submittal Meeting:	None
Proposal Due Date:	December 12, 2016
Proposal Time:	5:00:00 PM MST (Arizona Time)
Number of Qualifications:	1 unbound original and 5 bound copies (please label original)
Contact:	Kathleen M. Shipman, BSBA, CPPB, Purchasing Manager
E-Mail:	<a href="mailto:kathleen.Shipman@maricopa-az.gov">kathleen.Shipman@maricopa-az.gov</a>
Mailing Address:	39700 W. Civic Center Plaza, Maricopa, Arizona 85138
Location:	39700 W. Civic Center Plaza, Maricopa, Arizona 85138

**OFFER**

To the City of Maricopa: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with the Terms and Conditions contained in the Request for Proposal package issued by the City.

<b>OFFEROR CONTACT INFORMATION - For clarification of this offer contact:</b>	
Name: _____	Email: _____
Federal Employer Identification Number: _____	Authorizing Offeror Signature: _____
Company Name _____	Printed Name _____
Address _____	Title _____
City _____ State _____ Zip Code _____	Telephone: _____ Fax: _____

## INSTRUCTIONS TO OFFEROR

### 1. PREPARATION OF PROPOSAL:

- a. Telegraphic (Fax), E-Mail or electronic proposals will not be considered.
- b. The offer document shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Offer.
- d. If price is a consideration and in case of error of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request for Proposal* package and seek clarification of any item or requirement and to check all responses for accuracy before submitting a proposal. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

**2. INQUIRIES:** Any questions related to the Request for Proposal shall be directed in writing or via e-mail no later than five (5) business days prior to the proposal opening date, to the person whose name appears on the front. Questions submitted after that period may not be answered due to time constraints. Any correspondence related to a Request for Proposal should refer to the appropriate Request for Proposal ID, page, and paragraph number. These questions and answers will be communicated to all via a formal addendum to the solicitation, posted on the City website as Q&A Clarifications. However, the Offeror shall not place the Request for Proposal ID on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official Request for Proposal due date and time.

**3. Interviews Conducted** - The City of Maricopa has the sole authority and discretion to interview all or none of firms/candidates prior to award.

**4. PRE-PROPOSAL/BID - CONFERENCE MEETING:** None.

**5. DUE DATE AND TIME:** Offerors must submit proposals to the City's Purchasing Manager or designee by 5:00:00 pm on December 12, 2016, at the address or physical location listed on the Introduction/Offer Sheet (Page 1 of RFP). Late proposals will not be accepted

- 6. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, an Offeror (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or Mailgram proposal withdrawals will not be considered.
- 7. AMENDMENT OF PROPOSAL:** Receipt of an RFP Amendment shall be acknowledged by signing and returning the original document prior to the specified proposal due date and time or with the original submittal document.
- 8. PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account.
- 9. TAXES:** The City of Maricopa is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.
- 10. AWARD OF CONTRACT:** Notwithstanding any other provision of this *Request for Proposal*, The City expressly reserves the right to:
  - a. Waive any immaterial defect or informality; or
  - b. Reject any or all proposals, or portions thereof, or
  - c. Reissue a Request for Proposal
  - d. Unless the Offeror states otherwise, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City. If the Offeror's offer is an "all or nothing" offer, it must be so indicated on the offer sheet.
- 11. SELECTION SCHEDULE TIMETABLE:**  
The schedule below is subject to change as indicated below. Please refer to City of Maricopa's website for any updates: <http://www.maricopa-az.gov/web/>

11/9/16	Issuance of Request for Proposals
11/23/16	Deadline to submit questions/inquiries
12/12/16	Responses to Request for Proposals due
12/19/16	Selection/Evaluation Committee selects Contractor(s)
12/20/16	City Council meeting to act on approval of contract
12/22/16	Purchase Order Issuance

## STANDARD TERMS AND CONDITIONS

- 1. Certification:** By signature in the Offer section of the Offer Award Page, the Offeror certifies that:
  - 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 the Federal Executive Order 11246.
  - c. The Offeror has not given, offered to give, or intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the Offeror may be debarred.
- 2. Gratuities:** The City may, by written notice to the Offeror, cancel the resultant contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Offeror or any agent or representative of the Offeror, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event the City pursuant to this provision cancels the resultant contract, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of gratuity. Paying the expense of normal business meals, which are generally made available to all eligible city government customers, shall not be prohibited by this paragraph.
- 3. Applicable Laws:** In the performance of the resultant contract, Contractors shall abide by and conform to any and all laws of the United States, State of Arizona, and the City of Maricopa including but not limited to federal and state executive orders providing for equal opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to the contract.

The resultant contract shall be governed by the State of Arizona and suit pertaining to the contract may be brought only in courts in the State of Arizona.

This contract is subject to the following provisions as stated:

ARS §38-511; the City may cancel the contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

ARS §35-393.01; All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recently legislation has been enacted to prohibit the state from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01 This form must be completed and returned with the response to the solicitation and any supporting information to assist the State in making its determination of compliance. As defined by A.R.S. §35-393.01 and explained in Chapter 46,

House Bill 2617 and outlined in Exhibit B:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:

(a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.

(b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.

2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.

3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests.

4. "Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:

(a) together with other investors that are not subject to this section.

(b) that are held in an index fund.

5. "Public entity" means this State, a political subdivision of this STATE or an agency, board, commission or department of this state or a political subdivision of this state.

6. "Public fund" means the state treasurer or a retirement system.

7. "Restricted companies" means companies that boycott Israel.

8. "Retirement system" means a retirement plan or system that is established by or pursuant to title

38. Please refer to Attachment C and complete form as part of your solicitation response.

**4. Legal Remedies:** All claims and controversies shall be subject to resolution according to the terms of the City of Maricopa Procurement Code.

**5. Contract:** The resultant contract between the City of Maricopa and the Contractor shall include the: (1) RFP, including instructions, all terms and conditions, specifications, scope of work, attachments, and any amendments thereto, and (2) the offer submitted by the Offeror in response to the RFP. In the event of a conflict in language between the City and the Contractor, the provisions and requirements of the resultant contract shall govern. In event of a conflict in language between the RFP and the Contract, the provisions and requirements of the Contract shall govern. However, the City reserves the right to clarify in writing, any contractual terms with the concurrence of the Offeror, and such a written contract shall govern in case of conflict with the applicable requirements stated in the Contract or the Offeror's offer. The RFP shall govern in all other matters not affected by the written contract.

**6. Contract Applicability:** The Offeror shall substantially conform to the terms, conditions, specifications, and other requirements found within the text of this specific RFP. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City, are not applicable to this RFP or any resultant contract.

- 7. Relationship to Parties:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venture, 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 for any purpose whatsoever. The Offeror is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Offeror should make arrangements to directly pay such expenses, if any.
- 8. Subcontracts:** The Contractor shall enter into no subcontract with any other party to furnish any of the material, service, or construction specified herein without the advance written approval of the City. The Contractor is responsible for contract performance whether or not Subcontractors are used.
- 9. Indemnification:** Consultant shall defend, indemnify, and hold City, its officers and employees harmless from any and all loss, damage, claim for damage, liability, expense, or cost, including reasonable attorneys' fees, which arise out of, or is in any way connected with the performance of work under this Agreement by Consultant, or any of Consultant's employees, agents or sub consultants, and from all claims by Consultant's employees, sub consultants and agents for compensation for services rendered to Consultant in the performance of this Agreement, notwithstanding that City may have benefited from their services. This indemnification provision shall only apply to any and all negligent acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Consultant or Consultant's employees, sub consultants or agents.
- 10. Overcharges by Antitrust Violations:** The City maintains that, in 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 goods and services used to fulfill the Contract.
- 11. Force Majeure:** Except for payment for sums due, neither party shall be liable to the other not deemed in default under the resultant contract if and to the extent that such party's performance of the 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. Without limiting the foregoing, force majeure includes acts of God: acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts; injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with the resultant contract. Force Majeure shall not include the following occurrences:
- a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
  - b. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition.



Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *certificate-return receipt* and shall make 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. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with the resultant contract.

- 12. Right to Assurance:** Whenever one party to the resultant contract in good faith has reason to question the other party's intent to perform he may demand that the other party give written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) day, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
- 13. Right to Audit Records:** The City may, at reasonable times and places, audit the books and records of any contractor as related to any contract held with the City.
- 14. Right to Inspect Place of Business:** The City may, at reasonable times 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.
- 15. Inspection:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of the resultant contract will be held at Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. They may elect to do any or all:
- a. Waive the non-conformance
  - b. Stop the work immediately
  - c. Bring material into compliance

This shall be accomplished by a written determination for the City.

- 16. Liens:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.
- 17. 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 the contract.
- 18. Patents and Copyrights:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this RFP are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.

- 19. Cost of Bid/Proposal:** The City shall not reimburse the cost of developing or providing any response to this RFP. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.
- 20. Public Record:** All offers submitted in response to this RFP shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code.
- 21. Termination for Non-Appropriation:** Any contract entered into by the City shall terminate at the end of the then current fiscal period for non-appropriation of funds if the City's governing body fails to appropriate funds to pay for the payments contemplated by the contract. The City's fiscal period ends June 30<sup>th</sup> of each year.
- 22. Warranties:** Vendor warrants that all goods delivered under this contract will conform to the requirements of this contract (including all applicable descriptions, specifications, drawings and samples), and will be free from defects in material and workmanship and will be free from defects in design and fit for the intended purpose. Any inspection or acceptance of the goods by Buyer shall not alter or affect the obligation of vendor or the right of Buyer under the foregoing warranties.
- 23. Cooperative Use of Contract:** In addition to the City of Maricopa and with the approval of the contracted vendor, this contract may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.
- 24.** Per A.R.S. § 35-392, <http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/35/00392.htm> the City is prohibited from purchasing for a company that is in violation of the Export Administration Act.
- 25. Federal Immigration and Nationality Act (FINA):** By entering into the Contract, the CONTRACTOR warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Purchasing Manager upon request. These warranties shall remain in effect through the term of the Contract. The CONTRACTOR and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at [www.USCIS.GOV](http://www.USCIS.GOV).
- 25.1** The City may request verification of compliance for any CONTRACTOR or subcontractor performing work under the Contract. Should the City suspect or find that the CONTRACTOR or any of its subcontractors are not in compliance, the City may pursue any and all remedies allowed by law, including but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the CONTRACTOR. All costs necessary to verify compliance are the responsibility of the CONTRACTOR.



## SPECIAL TERMS AND CONDITIONS

**PURPOSE:** The City of Maricopa intends to establish a professional service contract for the Transaction Privilege Tax (TPT) Auditor Services for the City of Maricopa, Arizona. The products and services required are detailed in this RFP. Based on an evaluation of the offers and qualifications of the firms responding to this solicitation, the City desires to retain a qualified firm for a term of three (3) years with the option of two (2) one (1) year renewals with Council approval.

1. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
2. **Offer 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 opening time and date.
3. **Term of Contract:** The term of any resultant contract shall commence on the first day of the month following the date of award and shall continue for three (3) years or until the project is completed, unless terminated, cancelled or extended as otherwise provided herein. The City reserves the right to exercise renewal options of two (2) one (1) year renewals with Council approval.
4. **Proposal Format:** *A total of one (1) unbound original document (label original) and five (5) copies of the proposal shall be submitted in the format indicated in the Proposal Format and Requirement section of the RFP. Also, if applicable please submit all documents in CD or thumb drive media.*
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 any resultant contract. The Contractor must agree to assign specific individuals to the key positions.
  - a. The Contractor agrees that, once assigned to work under any resultant contract, key personnel shall not be removed or replaced without written notice to the City.
  - b. If key personnel are not available for work under any resultant contract for a continuous period exceeding thirty (30) 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.
6. **Proposal Opening:** Proposals shall be opened at the time and place designated on the cover page of this document. The name of each Offeror and the identity of the Request for Proposals for which the proposal was submitted shall be publicly read and recorded in the presence of a witness. Proposals, modifications, and all other information received in response of this Request for Proposal shall be shown only to City personnel having legitimate interest in the evaluation. **PRICES SHALL NOT BE READ.** After award of the proposal, the successful proposal and the evaluation documentation shall be open for public inspection.

7. **Evaluation:** The City of Maricopa, designated committee of City staff and community leaders “Evaluation Committee” shall evaluate and rank responsible and responsive proposals based upon the following criteria listed below in order of importance.

The committee reserves the right to conduct several rounds of evaluations to determine the preferred vendor. Selected applicant’s consultant may be required to make a minimum of one (1) presentation to the Evaluation Committee as part of the selection process. The Evaluation Committee retains the exclusive right to select the based on their judgment of the best qualifying factors.

Award will be made to the consulting firm that scores the highest based on the following scoring criteria:

Experience in providing Arizona Transaction Privilege Tax Auditing Services.	<b>Possible 35 points</b>
Pricing for services.	<b>Possible 35 points</b>
References.	<b>Possible 15 points</b>
Overall conformance to Request for Proposal (RFP) including proposal format and required Documents.	<b>Possible 15 points</b>

NOTE: References and current work history are part of the evaluation process and will be confirmed. Negative responses will be a basis for disqualification. Include the name, address, phone number and email address of five (5) clients for whom similar products/services have been provided since January, 2012. Reference must be current; and should be relevant to the required products and services. Please provide a one (1) line description of the products and services provided with each reference.

8. **Discussions and Interviews:** After the receipt of proposals, discussions may be conducted with Offerors who submitted proposals determined to be reasonably susceptible of being selected for award. The City reserves the right to conduct personal interviews or require presentation of any or all proposals prior to selection. The City will not be liable for any costs incurred by the Offeror in connection with such interview/presentations.
9. **Confidential Information:**
- If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Finance Director of this fact shall accompany the submission and the information shall be identified.
  - The information identified by the person as confidential shall not be disclosed until the Finance Director makes a written determination.

- 10. Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City remains confidential pursuant to applicable requirements.
- 11. Resultant Contract:** A contract shall be issued between the City and the successful Offeror(s) following award.
- 12. Compensation:** Compensation for services shall be based upon fees negotiated, including all approved costs and expenses incurred.
- 13. Pricing:** All pricing shall be fixed Not to Exceed (NTE) for the term of this contract, except where otherwise provided by the specifications, be in compliance with any and all applicable rules regulations and laws, and include all related cost including, but not limited to, costs for transportation, insurance and warranty costs. The contractor shall not invoice or charge at a higher price than those stated in any Contract resulting from this RFP, except as stated below.
- The Contractor certifies that the prices offered are no higher than the lowest price the Contractor charges other clients for similar services under similar conditions and that the prices comply with any and all applicable rules, regulations and laws. The Contractor shall promptly notify the City of such price reductions.
- 14. Liquidated Damages:** Liquidated damages shall be in the amount of one-hundred dollars (\$100.00) for each calendar day of delay.
- If the contract is not terminated, the contractor shall continue performance and be liable to the City for the liquidated damages until the products are delivered or services performed.
  - In the event that the City exercises its right of termination, the contractor shall be liable to the City for any excess costs, and in addition, for liquidated damages until such time the City may reasonably obtain delivery or performance of similar supplies or services.
- 15. Insurance:** The City requires a complete and valid certificate of insurance prior to the commencement of any service or activity specified in this solicitation. The City will notify the successful contractor(s) of the intent to issue a contract award. The successful contractor(s) shall at that time submit a copy of the insurance certificate for coverage with minimum amounts stated. The coverage shall be maintained in full force and effect during the term of the contract and shall not serve to limit any liabilities or any other contractor obligations.
- 16. 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.
- 17. City of Maricopa Business License:** The successful contractor will be required to have a valid and current City of Maricopa Business License prior to the Notice to Proceed. Please refer to the following for applicable business license downloadable forms to submit with your proposal (If applicable)  
<http://www.maricopa-az.gov/web/finance-administrativeservice-home/business-licenses>
- 18. Bonds:** If applicable, the successful Contractor shall deliver to the City a Performance Bond issued by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Arizona Revised Statutes Title 20, Chapter 2, Article 1. The bond shall not be executed by an individual

surety or sureties. Bonds signed by an agent must accompanied by a certified copy of such agent's authority to act.

**19. Cancellation:** The City reserves the right to cancel the whole or any part of any resultant contract due to failure by the contractor to carry out any obligation, term or condition of any resultant contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:

- a. The contractor provides material that does not meet the specifications of the contract;
- b. The contractor fails to adequately perform the services set forth in the specifications of the contract;
- c. The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;
- d. The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

**19.1** Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

- a. Cancel any contract;
- b. Reserve all rights or claims to damage for breach of any covenants of the contract;
- c. Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliance with the specifications, the actual expense of testing shall be borne by the contractor; and
- d. In case of default, the City reserves the right to purchase materials, or to complete the required work. The City may recover any actual excess costs from the contractor by:
  - i. Deduction from an unpaid balance;
  - ii. Collection against the bid and/or performance bond, or;
  - iii. Any combination of the above or any other remedies as provided by law.

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## SCOPE OF SERVICES

### I. Background

The City of Maricopa intends to enter into a contract for Transaction Privilege Tax (TPT) Auditor Services. The products and services requirements are detailed in this RFP.

### II. Scope of Services

#### **The following services are required:**

- Reconciliation of business licenses to sales tax licenses to verify licensing of businesses within the City.
- Detailed review of building permits and comparing valuations with amounts reported by contractors in order to identify under or non-paying contractors.
- Detailed review of real property sales made within two (2) years of completion to identify taxable speculative builder sales.
- Detailed review of real property ownership to identify landlord and verify commercial rental tax.
- Audit of businesses discovered by services described in first four (4) bullet points outlined above, to include, but not limited to a detailed audit file with all appropriate documentation. Audits are prioritized assessment potential and statute of limitations.
- Review of tax payment journal for errors or underpayments.
- Adhere to Arizona TPT changes implemented July 1, 2016. The Arizona Department of Revenue (ADOR) began implementing changes to TPT licensing and reporting, as required by law, effective July 1, 2016. For TPT definitions please refer to Exhibit A and also the following informational resources:
  - State of Arizona Department of Revenue.
    - <https://www.azdor.gov/Home.aspx>
  - Transaction Privilege Tax (TPT).
    - [https://azdor.gov/TransactionPrivilegeTax\(TPT\).aspx](https://azdor.gov/TransactionPrivilegeTax(TPT).aspx)
  - Transaction Privilege Tax Changes and News This publication is an informational notice for September 2016. Customer Care: (602) 255-3381 or toll-free from area codes 520 or 928: (800) 352-4090 [www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov)
    - [https://www.azdor.gov/Portals/0/TPTRates/TPT\\_Tax\\_Changes201609.pdf](https://www.azdor.gov/Portals/0/TPTRates/TPT_Tax_Changes201609.pdf)
- Preparation of all necessary ADOR forms. ADOR no longer accepts the TPT-1 form for reporting periods beginning on or after June 1, 2016. Two (2) new forms are available to accommodate location-based reporting for filing periods beginning on or after June 1, 2016. The TPT-EZ is a simplified tax form for businesses with one location or jurisdiction. The TPT-2 replaces the outdated TPT-1 for use by multi-location or multi-jurisdiction businesses.



- Transaction Privilege Tax Forms.
  - <https://www.azdor.gov/Forms/TransactionPrivilegeTax.aspx>
- Adhere to the provisions of Arizona Revised Statute (ARS). A.R.S. § 42-5014.H
- Provide the City with all reports and correspondence between successful contractor and the State regarding the collection of TPT funds and information.
- Preparation of all letters, correspondence, assessments pertaining to audits including the intent to audit, assessment, and final letters and filing of lien if necessary. Letters are all approved by City prior to mailing. Style and content of form letters are chosen by City from several different styles.
- Provide professional non-bureaucratic tax advice regarding transaction privilege (sales) tax to the City and the citizens.
- Represent the City at Unified Audit Committee meetings and inform the City of sales tax related issues that may affect the City.
- Represent the City at a formal hearing including preparation of response to protest and position of City.

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## PROPOSAL FORMAT AND REQUIRED RESPONSES

The information set forth in paragraphs below must be included with all proposals. *Failure to provide any of the information requested by these paragraphs is grounds for the City to reject a proposal.*

In order for the City to conduct a uniform review process, all proposals must be submitted in the format set forth below. Failure to follow this format may be cause for rejection.

- 1. Offer Sheet:** The attached Introduction/Offer Sheet (Page 1 of RFP) must be completed and returned with the Offeror's proposal. Failure to return the Offer Sheet and to sign it is grounds for the City to reject a proposal.
- 2. Table of Contents:** The Table of Contents must indicate the material included in the proposal by section and page number. A proposal's table of contents should mirror this section of the City's Request for Proposal and must include all the items set forth in this section of the Request for Proposal.
- 3. Letter of Transmittal (Limit to two pages):** A letter of transmittal must be submitted with an Offeror's proposal. The letter must include:
  - a. A statement of the Offeror's understanding of the products and services required by the Request for Proposal listed in the scope of work.
  - b. The names of the persons who are authorized to make representations on behalf of the Offeror (include their titles, addresses, fax number, e-mail addresses and telephone numbers).
  - c. A statement that the individual who signs the transmittal letter is authorized to bind the Offeror to contract with the City.
- 4. Firm Overview (Excluding attachments, limit to four (4) pages):**
  - a. Your firm is in what primary line of business?
  - b. Does your firm have at least one (1) office located in the State of Arizona?
  - c. Discuss the structure of your firm. If a private firm, state whether a corporation, partnership, sole proprietorship, or combination. Provide a listing of all principals and/or owners. Indicate the length of time the firm has been in business under the current business name as well as any previous business names.
  - d. Provide documentation that the Offeror is licensed under the applicable laws of the State of Arizona.
- 5. Bonds:** If applicable, the successful Contractor shall deliver to the City a Performance Bond issued by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Arizona Revised Statutes Title 20, Chapter 2, Article 1. The bond shall not be executed by an individual surety or sureties. Bonds signed by an agent must accompanied by a certified copy of such agent's authority to act.

**6. Experience (Excluding attachments, limit to four (4) pages):**

- a. Describe comparable services provided by the firm to municipalities since 2012 similar in scope to the City's request. Please include the names of the municipalities and contact names, phone numbers and email addresses that you have provided this service.
- b. How long has your firm performed these services?
- c. Please include the resumes of the principles of your firm along with their experience in the business and their number of years in the industry.

**7. Detail responses to the Evaluation Criteria:** Please include detailed information addressing the evaluation criteria as defined in the "Special Terms and Conditions", Item #7, page10.

- Experience in providing Arizona Transaction Privilege Tax Auditing Services.
- Overall pricing for services.
- References.
- Overall conformance to Request for Proposal (RFP) including proposal format and required.

**8. References (limit to one (1) page):** Include the name, address, telephone number, and email address of five (5) clients for whom similar services have been provided since January, 2012. References must be current and should be relevant to the required services. Please provide a one (1) line description of services provided with each reference.

**9. Disclosures of Conflict of Interest: (Limit to one (1) page):** The offeror shall include a statement that no conflicts of interest exist as defined by Arizona Revised Statutes, Title 38, Chapter 3, Article 8. In the event any professional or personal financial interest, does exist the nature of the relationship shall be disclosed to the City and examined by the City of the material facts of the disclosure. The above reference statute shall govern the actions of the city in the event a conflict exists.

**10. Substitute W-9 Form:** Complete and return the attached City of Maricopa Substitute W-9 form (Attachment A).

**11. Fee Schedule - Proposed Fees/Compensation:** This RFP includes a Fee Schedule Form provided as an attachment. (Attachment B).

Each offeror must complete the Fee Schedule Form in the exact format provided. The City may reject any proposal with a reformatted Cost Summary.

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**RFP # 17-FIN081016**  
**TRANSACTION PRIVILEGE TAX (TPT) AUDITOR SERVICES**  
**Vendor Submittal Check List**

- \_\_\_\_\_ Offer Sheet, Signed
- \_\_\_\_\_ Table of Contents
- \_\_\_\_\_ Letter of Transmittal, Signed (limit to 2 pages)
- \_\_\_\_\_ Firm Overview (limit to 4 pages)
- \_\_\_\_\_ Experience (limit to 4 pages)
- \_\_\_\_\_ Detailed response to the Evaluation Criteria (Page 16)
- \_\_\_\_\_ References and contact information
- \_\_\_\_\_ Disclosures of Conflict of Interest
- \_\_\_\_\_ Substitute W-9 Form completed and signed (Attachment B)
- \_\_\_\_\_ License – City of Maricopa Business License
- \_\_\_\_\_ Fee Schedule Form (Attachment A)
- \_\_\_\_\_ Participation if Boycott of Israel/ (Attachment C)  
SPO Form 205 – Israel Boycott Affidavit

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## ATTACHMENT A FEE SCHEDULE

Please give a detailed listing of charges for services, stated in a per hour format.

Type of Fee	Pricing/Hour
Review of business licenses, building permits, real property sales and real property ownership	
Audit Services for Reviews	
Preparation of letters, correspondence, assessments	
Provide non-bureaucratic tax advice	
Representing the City at formal meetings and hearings	
NOTE: Please detailed further services (not outlined above) and pricing per hour format in spacing provided.	



**ATTACHMENT B  
SUBSTITUTE W-9 FORM**

**PART I: Company Information:**

1. Name (as shown on Income Tax Return): \_\_\_\_\_
2. Business Name (if different than above): \_\_\_\_\_
3. DUNS #: \_\_\_\_\_
4. Federal employer identification number (or SSN): \_\_\_\_\_
5. Type of organization (check one):
 

Individual/Sole Proprietor	Limited Liability Company*
Corporation	<b>*Choose the tax classification</b>
Partnership	Disregarded Entity
Other: _____	Corporation
	Partnership
6. Order Address:
 

(Order address)	(City)	(State)	(Zip code)
-----------------	--------	---------	------------
7. Remittance address (if different than above):
 

(Remittance address)	(City)	(State)	(Zip code)
----------------------	--------	---------	------------
8. Contact person for bid invitations: \_\_\_\_\_
9. Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_
10. Email address of contact person: \_\_\_\_\_
11. Applicant is a (check one):
 

Factory Representative	Jobber
Manufacturer	Authorized distributor
Retail dealer	Contractor
Consultant	Other: _____
12. Indicate if the business is registered as a minority or woman-owned company.
 

Minority-owned	Woman-owned	Not Applicable
----------------	-------------	----------------
13. How long has the company been in business? \_\_\_\_\_
14. Does applicant currently hold a valid business license issued by the City of Maricopa?
 

Yes	No
-----	----

**PART II: COMMODITY OR SERVICE DESCRIPTION**

1. Commodity/Service description (this section must be completed): \_\_\_\_\_

**ATTACHMENT B**  
**SUBSTITUTE W-9 FORM (CONT'D)**

**PART III: APPLICANT TERMS AND CERTIFICATION**

**Terms:**

**The City of Maricopa may take up to thirty (30) calendar days after the receipt of vendor's invoice to render payment unless other arrangements are made through a written contract. Applicant's signature below signifies acceptance of those terms.**

**Under Penalties of perjury, I certify that:**

1. The number shown on this form is my correct federal employer identification number.
2. I am not subject to backup withholding because of failure to report interest and dividend income.
3. I am a U.S. person (including a U.S. resident alien).  
*(NOTE: You must cross out item 2. above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return).*
4. The following business ownership classifications are applicable:  
 Disadvantaged Business Enterprise Ownership Classification (Select One Only):  
 "The Internal Revenue Service does not require your consent to any provision of this document other than the
 

<input type="checkbox"/> 1 Non-Small/Non-Minority/Non-Disabled	<input type="checkbox"/> 8 Small Business/Disabled Owner
<input type="checkbox"/> 2 Small Business (Per ARS §41-1001(20))	<input type="checkbox"/> 9 Minority Woman Owned Business
<input type="checkbox"/> 3 Minority Owned Business [Per 15 CFR §1400.1(a)]	<input type="checkbox"/> 10 Disabled-Minority Owned Business
<input type="checkbox"/> 4 Woman Owned Business	<input type="checkbox"/> 11 Disabled-Woman Owned Business
<input type="checkbox"/> 5 Owned By Disabled Individual (Per ARS §41-1492.5)	<input type="checkbox"/> 12 Small Business/Minority-Woman Owned
<input type="checkbox"/> 6 Small Business/Minority Owned	<input type="checkbox"/> 13 Small Business/Disabled-Minority Owned
<input type="checkbox"/> 7 Small Business/Woman Owned	<input type="checkbox"/> 14 Small Business/Disabled-Minority-Woman Owned

certifications required to avoid backup withholding."

\_\_\_\_\_  
**Name** (*Please print*)

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Title** (*Please print*)

\_\_\_\_\_  
**Date**


**INTERNAL USE ONLY**

CC# \_\_\_\_\_ AUTHORIZATION: \_\_\_\_\_

FAX: \_\_\_\_\_ EMAIL: \_\_\_\_\_ PRINT: \_\_\_\_\_

REQUESTED BY: \_\_\_\_\_

**ATTACHMENT C**  
**PARTICIPATION IF BOYCOTT OF ISRAEL**

	<b>Participation if Boycott of Israel</b>		<b>State of Arizona</b> <b>State Procurement Office</b> 100 N.15th Ave., Suite 201 Phoenix, AZ 85007
	Solicitation No.: RFP#17-FIN081016	PAGE 1	
	Description: Transaction Privilege Tax (TPT) Auditor Services for the City of Maricopa	OF 1	

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recently legislation has been enacted to prohibit the state from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01 This form must be completed and returned with the response to the solicitation and any supporting information to assist the State in making its determination of compliance.

As defined by A.R.S. §35-393.01:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
  - (a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.
  - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.
3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests.
4. "Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:
  - (a) together with other investors that are not subject to this section.
  - (b) that are held in an index fund.
5. "Public entity" means this State, a political subdivision of this STATE or an agency, board, commission or department of this state or a political subdivision of this state.
6. "Public fund" means the state treasurer or a retirement system.
7. "Restricted companies" means companies that boycott Israel.
8. "Retirement system" means a retirement plan or system that is established by or pursuant to title 38.

All offerors must select one of the following:

- \_\_\_\_\_ My company **does not** participate in, and agrees not to participate in during the term of the contract a boycott of Israel in accordance with A.R.S. §35-393.01. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
- \_\_\_\_\_ My company **does** participate in a boycott of Israel as defined by A.R.S. §35-393.01. :

By submitting this response, proposer agrees to indemnify and hold the State, its agents and employees, harmless from any claims or causes of action relating to the State's action based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the State in defending such an action.

Company Name			Signature of Person Authorized to Sign	
Address			Printed Name	
City	State	Zip	Title	

SPO Form 205 - Israel Boycott Affidavit

## **EXHIBIT A TRANSACTION PRIVILEGE TAX (TPT)**



### **Transaction Privilege Tax (TPT)**

The Arizona transaction privilege tax (TPT) is commonly referred to as a sales tax; however, the tax is on the privilege of doing business in Arizona and is not a true sales tax. Although TPT is usually passed on to the consumer, it is actually a tax on the vendor. TPT is applied to entities engaged in certain business classifications, including retail sales.

Types of business activities subject to TPT include, but are not limited to: retail sales, restaurants/bars, hotel/motel (transient lodging), commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, private cars/pipelines and use tax.

The Arizona Department of Revenue (ADOR) collects the tax for the counties and most cities, however, some of the cities license and collect their tax independently. Tax rates vary depending on the type of business activity, the city and the county.

If you are selling a product or engaging in a service subject to transaction privilege tax, you will most likely need to obtain the state transaction privilege tax (TPT) license from ADOR (commonly referred to as a sales tax, resale, wholesale, vendor or tax license) and a TPT or business/occupational license from the city or cities in which you are based and/or operate.

If you have questions about whether or not your business activity is subject to TPT, check with both ADOR and the licensing office(s) of the city or cities in which you will be based and/or operate.

Please note: There are some differences between the state and local authorities in the taxability of transactions. For instance, the state does not impose TPT on 1) renting, leasing, or licensing for use residential real property or 2) the sale of advertising. However, many cities do tax these activities.

### **TPT and the Use Tax**

The transaction privilege tax is imposed upon income or proceeds derived from engaging in a taxable business within the State of Arizona. The use tax is imposed upon the purchaser of tangible personal property which is used, stored, or consumed in Arizona when the sale was not subject to the transaction privilege tax. Out-of-state retailers or utility businesses that sell to Arizona customers are required to collect the Arizona use tax and remit it to the department.

For questions regarding TPT, please call 1-(844)-698-9176

**EXHIBIT B**  
**HOUSE BILL 2617/CHAPTER 46**  
**Senate Engrossed House Bill**

**State of Arizona House of Representatives Fifty-second Legislature Second Regular Session 2016**

**AN ACT**

**AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9;  
RELATING TO PUBLIC CONTRACTS AND INVESTMENTS.**

Senate Engrossed House Bill

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

**CHAPTER 46**

**HOUSE BILL 2617**

**AN ACT**

**AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9;  
RELATING TO PUBLIC CONTRACTS AND INVESTMENTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)



**EXHIBIT B (CONT'D)**  
**HOUSE BILL 2617/CHAPTER 46**  
**Senate Engrossed House Bill**

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 35, chapter 2, Arizona Revised Statutes, is amended by adding article 9, to read:

ARTICLE 9. ISRAEL BOYCOTT DIVESTMENTS

**35-393. Definitions**

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BOYCOTT" MEANS ENGAGING IN A REFUSAL TO DEAL, TERMINATING BUSINESS ACTIVITIES OR PERFORMING OTHER ACTIONS THAT ARE INTENDED TO LIMIT COMMERCIAL RELATIONS WITH ISRAEL OR WITH PERSONS OR ENTITIES DOING BUSINESS IN ISRAEL OR IN TERRITORIES CONTROLLED BY ISRAEL, IF THOSE ACTIONS ARE TAKEN EITHER:

(a) IN COMPLIANCE WITH OR ADHERENCE TO CALLS FOR A BOYCOTT OF ISRAEL OTHER THAN THOSE BOYCOTTS TO WHICH 50 UNITED STATES CODE SECTION 4607(c) APPLIES.

(b) IN A MANNER THAT DISCRIMINATES ON THE BASIS OF NATIONALITY, NATIONAL ORIGIN OR RELIGION AND THAT IS NOT BASED ON A VALID BUSINESS REASON.

2. "COMPANY" MEANS A SOLE PROPRIETORSHIP, ORGANIZATION, ASSOCIATION, CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY OR BUSINESS ASSOCIATION, AND INCLUDES A WHOLLY OWNED SUBSIDIARY, MAJORITY-OWNED SUBSIDIARY, PARENT COMPANY OR AFFILIATE.

3. "DIRECT HOLDINGS" MEANS ALL PUBLICLY TRADED SECURITIES OF A COMPANY THAT ARE HELD DIRECTLY BY THE STATE TREASURER OR A RETIREMENT SYSTEM IN AN ACTIVELY MANAGED ACCOUNT OR FUND IN WHICH THE RETIREMENT SYSTEM OWNS ALL SHARES OR INTERESTS.

4. "INDIRECT HOLDINGS" MEANS ALL SECURITIES OF A COMPANY THAT ARE HELD IN AN ACCOUNT OR FUND, INCLUDING A MUTUAL FUND, THAT IS MANAGED BY ONE OR MORE PERSONS WHO ARE NOT EMPLOYED BY THE STATE TREASURER OR A RETIREMENT SYSTEM, IF THE STATE TREASURER OR RETIREMENT SYSTEM OWNS SHARES OR INTERESTS EITHER:

(a) TOGETHER WITH OTHER INVESTORS THAT ARE NOT SUBJECT TO THIS SECTION.

(b) THAT ARE HELD IN AN INDEX FUND.

5. "PUBLIC ENTITY" MEANS THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR AN AGENCY, BOARD, COMMISSION OR DEPARTMENT OF THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

6. "PUBLIC FUND" MEANS THE STATE TREASURER OR A RETIREMENT SYSTEM.

7. "RESTRICTED COMPANIES" MEANS COMPANIES THAT BOYCOTT ISRAEL.

8. "RETIREMENT SYSTEM" MEANS A RETIREMENT PLAN OR SYSTEM THAT IS ESTABLISHED BY OR PURSUANT TO TITLE 38.

**35-393.01. Contracting; procurement; investment; prohibitions**

A. A PUBLIC ENTITY MAY NOT ENTER INTO A CONTRACT WITH A COMPANY TO ACQUIRE OR DISPOSE OF SERVICES, SUPPLIES, INFORMATION TECHNOLOGY OR CONSTRUCTION UNLESS THE CONTRACT INCLUDES A WRITTEN CERTIFICATION THAT THE COMPANY IS NOT CURRENTLY ENGAGED IN, AND AGREES FOR THE DURATION OF THE CONTRACT TO NOT ENGAGE IN, A BOYCOTT OF ISRAEL.

**EXHIBIT B (CONT'D)**  
**HOUSE BILL 2617/CHAPTER 46**  
**Senate Engrossed House Bill**

1 B. A PUBLIC ENTITY MAY NOT ADOPT A PROCUREMENT, INVESTMENT OR OTHER  
2 POLICY THAT HAS THE EFFECT OF INDUCING OR REQUIRING A PERSON OR COMPANY TO  
3 BOYCOTT ISRAEL.

4 35-393.02. Investment; restricted companies list; notice;  
5 immunity; exception

6 A. ON OR BEFORE APRIL 1 OF EACH YEAR, EACH PUBLIC FUND SHALL PREPARE A  
7 LIST OF RESTRICTED COMPANIES AND SHALL PROVIDE A COPY OF THE LIST ON REQUEST.

8 B. IN PREPARING THE LIST OF RESTRICTED COMPANIES, THE PUBLIC FUND MAY  
9 CONSIDER AT LEAST THE FOLLOWING:

10 1. PUBLICLY AVAILABLE INFORMATION, INCLUDING INFORMATION PROVIDED BY  
11 NONPROFIT ORGANIZATIONS, RESEARCH FIRMS AND GOVERNMENT ENTITIES.

12 2. INFORMATION PREPARED BY AN INDEPENDENT RESEARCH FIRM RETAINED BY  
13 THE PUBLIC FUND.

14 3. A STATEMENT BY A COMPANY THAT IT IS PARTICIPATING IN A BOYCOTT OF  
15 ISRAEL OR THAT IT HAS TAKEN A BOYCOTT ACTION AT THE REQUEST OF, IN COMPLIANCE  
16 WITH OR IN FURTHERANCE OF CALLS FOR A BOYCOTT OF ISRAEL.

17 C. THE PUBLIC FUND SHALL NOTIFY EACH COMPANY THAT IS INCLUDED ON THE  
18 LIST OF RESTRICTED COMPANIES THAT THE COMPANY IS SUBJECT TO DIVESTMENT BY THE  
19 STATE TREASURER AND THE RETIREMENT SYSTEMS.

20 D. IF A COMPANY THAT RECEIVES NOTICE PURSUANT TO SUBSECTION C OF THIS  
21 SECTION SUBMITS A WRITTEN CERTIFICATION TO THE PUBLIC FUND THAT IT HAS CEASED  
22 ITS BOYCOTT OF ISRAEL AND WILL NOT ENGAGE IN A BOYCOTT OF ISRAEL FOR THE  
23 PERIOD OF TIME THAT THE STATE TREASURER OR A RETIREMENT SYSTEM INVESTS IN THE  
24 COMPANY, THE PUBLIC FUND SHALL REMOVE THE COMPANY FROM THE RESTRICTED LIST.

25 E. EACH PUBLIC FUND SHALL:

26 1. SELL, REDEEM, DIVEST OR WITHDRAW ALL DIRECT HOLDINGS OF A  
27 RESTRICTED COMPANY FROM THE ASSETS UNDER ITS MANAGEMENT IN AN ORDERLY AND  
28 FIDUCIALLY RESPONSIBLE MANNER WITHIN THREE MONTHS AFTER PREPARING THE LIST OF  
29 RESTRICTED COMPANIES PURSUANT TO SUBSECTION A OF THIS SECTION. ON OR BEFORE  
30 AUGUST 1 OF EACH YEAR, THE STATE TREASURER AND EACH RETIREMENT SYSTEM SHALL  
31 POST ON THEIR WEBSITES A LIST OF INVESTMENTS THAT ARE SOLD, REDEEMED,  
32 DIVESTED OR WITHDRAWN PURSUANT TO THIS PARAGRAPH.

33 2. NOT ACQUIRE SECURITIES OF A RESTRICTED COMPANY AS PART OF ITS  
34 DIRECT HOLDINGS.

35 3. REQUEST THAT MANAGERS OF ITS INDIRECT HOLDINGS CONSIDER SELLING,  
36 REDEEMING, DIVESTING OR WITHDRAWING HOLDINGS OF A RESTRICTED COMPANY FROM THE  
37 ASSETS UNDER ITS MANAGEMENT.

38 F. WITH RESPECT TO ANY ACTION PERFORMED PURSUANT TO THIS SECTION, THE  
39 STATE TREASURER, EACH RETIREMENT SYSTEM AND ANY PERSON ACTING ON BEHALF OF  
40 THE STATE TREASURER OR THE RETIREMENT SYSTEM:

41 1. ARE EXEMPT FROM ANY CONFLICTING STATUTORY OR COMMON LAW OBLIGATION  
42 OR FIDUCIARY DUTIES WITH RESPECT TO CHOICE OF ASSET MANAGERS, INVESTMENT  
43 FUNDS OR INVESTMENTS.

44 2. ARE SUBJECT TO TITLE 12, CHAPTER 7, ARTICLE 2 REGARDING IMMUNITY  
45 FOR ACTS AND OMISSIONS.

**EXHIBIT B (CONT'D)**  
**HOUSE BILL 2617/CHAPTER 46**  
**Senate Engrossed House Bill**

1        3. ARE INDEMNIFIED AND HELD HARMLESS BY THIS STATE FROM CLAIMS,  
2 DEMANDS, SUITS, ACTIONS, DAMAGES, JUDGMENTS, COSTS, CHARGES AND EXPENSES,  
3 INCLUDING ATTORNEY FEES, AND AGAINST ALL LIABILITY, LOSSES AND DAMAGES  
4 BECAUSE OF A DECISION TO SELL, REDEEM, DIVEST OR WITHDRAW HOLDINGS OF A  
5 RESTRICTED COMPANY MADE PURSUANT TO THIS SECTION.

6        G. THIS SECTION DOES NOT APPLY TO INVESTMENTS THAT ARE MADE BY THE  
7 STATE TREASURER PURSUANT TO SECTION 35-314.01.

8        35-393.03. Severability

9        IF ANY PROVISION OF THIS ARTICLE OR ITS APPLICATION TO ANY PERSON OR  
10 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT ANY OTHER  
11 PROVISION OR APPLICATION OF THIS ARTICLE THAT CAN BE GIVEN EFFECT WITHOUT THE  
12 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS  
13 ARTICLE ARE SEVERABLE.

14        Sec. 2. Legislative findings

15        A. Boycotts and related tactics have become a tool of economic warfare  
16 that threaten the sovereignty and security of key allies and trade partners  
17 of the United States.

18        B. The state of Israel is the most prominent target of such boycott  
19 activity, beginning with the Arab League Boycott adopted in 1945, even before  
20 Israel's declaration of independence as the reestablished national state of  
21 the Jewish people.

22        C. Companies that refuse to deal with United States trade partners  
23 such as Israel, or entities that do business with or in such countries, make  
24 discriminatory decisions on the basis of national origin that impair those  
25 companies' commercial soundness.

26        D. It is the public policy of the United States, as enshrined in  
27 several federal acts, including 50 United States Code section 4607, to oppose  
28 such boycotts, and Congress has concluded as a matter of national trade  
29 policy that cooperation with Israel materially benefits United States  
30 companies and improves American competitiveness.

31        E. Israel in particular is known for its dynamic and innovative  
32 approach in many business sectors, and a company's decision to discriminate  
33 against Israel, Israeli entities or entities that do business with Israel or  
34 in Israel is an unsound business practice making the company an unduly risky  
35 contracting partner or vehicle for investment.

36        F. This state seeks to implement Congress's announced policy of  
37 "examining a company's promotion or compliance with unsanctioned boycotts,  
38 divestment from, or sanctions against Israel as part of its consideration in  
39 awarding grants and contracts and supports the divestment of State assets  
40 from companies that support or promote actions to boycott, divest from, or  
41 sanction Israel."

APPROVED BY THE GOVERNOR MARCH 17, 2016.

- 3 -

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 18, 2016.