

Town of Tusayan
PO Box 709
845 Mustang Drive
Tusayan, Arizona 86023
Phone: 928-638-9909



**TOWN OF TUSAYAN, ARIZONA
REQUEST FOR PROPOSALS
SOLICITATION INFORMATION AND SELECTION SCHEDULE**

All Proposals Due by July 10, 2024 at 5:00pm, local Time, Tusayan Arizona.

**NOTICE AND REQUEST FOR PROPOSALS FOR
FINANCIAL AUDITING SERVICES**

The TOWN OF TUSAYAN is seeking proposals for Request for Proposals, Financial Auditing Services (the "RFP") from qualified, licensed certified public accounting firms interested in providing professional financial auditing services to the Town beginning with fiscal year ending June 30, 2024.

Interested parties may download a copy of the RFP from the Town of Tusayan website at <https://tusayan-az.gov> or obtain a copy from the Town of Tusayan, Town Hall at 845 Mustang Drive, Tusayan, Arizona 86023.

Proposals must be received at: Tusayan Townhall, 845 Mustang Drive, Tusayan, Arizona 86023, no later than **5:00 p.m. on July 10, 2024**. Proposals received after that date and time will not be accepted. The Town reserves the right to reject any or all proposals, award all or part of the contract or cancel the solicitation.

If you have any questions about the RFP, please contact the Town Manager, Charlie Hendrix at tusayantownmanager@Tusayan-az.gov.

Posting Date: June 10, 2024

* In the event that a Vendor cannot be selected based solely on Proposals submitted, Oral Interviews may be conducted at the Town's sole discretion.

** The Town of Tusayan reserves the right to amend the solicitation schedule as necessary.

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Section A

I. RFP PROCESS; AWARD OF AGREEMENT

1. Purpose; Scope of Work. The Town of Tusayan (the "Town") is issuing this Request For Proposals (this "RFP") seeking proposals ("Proposals") from qualified, licensed certified public accounting firms ("Vendors") interested in providing professional financial auditing services (the "Services"), as more particularly described in the Scope of Work attached to the sample Professional Services Agreement as Exhibit B, and incorporated herein by reference, beginning with fiscal year ending June 30, 2024, and possibly for three additional subsequent fiscal years. In accordance with the Town's Procurement Code, the Town will accept sealed Proposals for the Services specified in the Scope of Work.

A. Mandatory Qualifications. The following qualifications are mandatory for Vendors submitting proposals. Proposals received from Vendors who do not meet these qualifications will be deemed nonresponsive.

(1) Vendor must be properly licensed Certified Public Accountants or persons working for a licensed certified public accounting firm according to *Government Auditing Standards*, issued by the Comptroller General of the United States ("GAS"). The Town will contact the Arizona State Board of Accountancy to verify Vendor's credentials and the Office of the Auditor General to verify that Vendor has not been debarred, suspended, or had its contracts rejected for substandard audits.

(2) Vendor must meet the independence requirements of GAS.

(3) Vendor must possess substantial experience in governmental auditing and accounting, preferably in municipal government, and maintain an office in the State of Arizona.

(4) Vendor must have an external quality control review performed at least every three years in accordance with GAS. The most recent external quality control review report must be included with Vendor's Proposal.

(5) Vendor's auditors responsible for planning, directing, conducting, or reporting on GAS audits must meet the continuing education requirements of GAS:

(a) Completion of at least 80 hours of continuing education every two years.

(b) At least 20 hours should be completed in any one year of the two-year period.

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(c) At least 24 of the 80 hours of continuing education should be completed in subjects directly related to the government environment, government auditing, or the specific or unique environment in which the Town operates.

(6) Vendor has no conflict of interest with regard to any other work performed by the audit firm for the Town.

B. Prior Audit Information. Vendors wishing to review prior years' audit reports and management letters should contact Tina Abriani, Town Clerk, at 845 Mustang Drive, Tusayan, Arizona 86023.

1.2 Preparation/Submission of Proposal. Vendors are invited to participate in the competitive selection process for the Services outlined in this RFP. Responding parties shall review their Proposal submissions to ensure the following requirements are met.

A. Irregular or Non-responsive Proposals. The Town shall consider as "irregular" or "non-responsive" and reject any Proposal not prepared and submitted in accordance with this RFP, or any Proposal lacking sufficient information to enable the Town to make a reasonable determination of compliance to the minimum qualifications. Unauthorized conditions, limitations, or provisions shall be cause for rejection. Proposals may be deemed non-responsive at any time during the evaluation process if, in the sole opinion of the Town Manager or authorized designee, any of the following are true:

(1) Vendor does not meet the minimum required skill, experience, or requirements to perform or provide the Services.

(2) Vendor has a past record of failing to fully perform or fulfill contractual obligations.

(3) Vendor cannot demonstrate financial stability.

(4) Vendor's Proposal contains false, inaccurate, or misleading statements that, in the opinion of the Town Manager or authorized designee, are intended to mislead the Town in its evaluation of the Proposal.

B. Submittal Quantities. Interested Vendors must submit one original and two copies (three total submittals) of the Proposal. In addition, interested parties must submit one PDF copy of the Proposal on a CD-ROM or similar electronic storage device. Failure to adhere to the submittal quantity criteria shall result in the Proposal being considered nonresponsive.

C. Required Submittal. The Proposal shall be a maximum of 20 pages to address the Proposal criteria (excluding cover letter, resumes and the Vendor Information Form, but including the materials necessary to address project understanding, general information, organizational chart, photos, tables, graphs, and diagrams). Each page side (maximum 8 1/2" x 11") with criteria information shall be counted. However, one page may be substituted with an 11" x 17" sheet of paper, folded to 8 1/2" x 11", showing an organizational chart and only having information on one side. Cover, back, table of contents and tabs may be used and shall not be

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included in the page count, unless they include additional project-specific information or Proposal criteria responses. The minimum allowable font for the Proposal is 11 pt, Arial or Times New **Roman**. Failure to adhere to the page limit, size and font criteria shall result in the Proposal being considered non-responsive. Each Proposal shall be submitted with the following documents:

- (1) Cover letter with an **original ink signature** by a person authorized to bind the Vendor. Proposals submitted without a cover letter with an **original ink signature** by a person authorized to bind the Vendor shall be considered non-responsive.
- (2) Vendor Information Form, with **original ink signature**.
- (3) References.
- (4) Resumes, Licenses and Certifications.
- (5) Fee Proposal, with an **original ink signature**, and the same number of copies as described in Part I, Subsection 1.2(B) (Submittal Quantities) in a separate, sealed envelope enclosed with the Vendor's Proposal. Pricing shall be inclusive of all of the Services in the Scope of Work as described in the Professional Services Agreement in Exhibit B.
- (6) External quality control review report.
- (7) Acknowledgment page, with an **original ink signature**, for any Addendum received.

D. Vendor Responsibilities. All Vendors shall (1) examine the entire RFP, (2) seek clarification of any item or requirement that may not be clear, (3) check all responses for accuracy before submitting a Proposal and (4) submit the entire Proposal by the Proposal Due Date and Time. Late Proposals will not be considered. A Vendor submitting a late Proposal shall be notified. Negligence in preparing a Proposal shall not be good cause for withdrawal after the Proposal Due Date and Time.

E. Sealed Submittals. All Proposals shall be sealed and clearly marked with the RFP number and title, **(TBD) Financial Auditing Services**, on the lower left-hand corner of the mailing envelope. A return address must also appear on the outside of the sealed Proposal. The Town is not responsible for the pre-opening of, post-opening of, or the failure to open, any Proposals not properly addressed or identified. Proposals sent through Federal Express or other express mail agencies must have the proposal documents sealed within an additional envelope inside the outer mailer.

F. Address. All Proposals shall be directed to the following address: Town of Tusayan Audit RFQ, 845 Mustang Drive, Tusayan, Arizona 86023. Proposals must be received by Tusayan Townhall by the Proposal Due Date and Time indicated on the cover page of this RFP. Telegraphic (facsimile), electronic (e-mail) or mailgram Proposals will not be considered.

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G. Pricing Errors. If price is a consideration, and in case of an error in the extension of prices in the Proposal, the unit price shall govern. Periods of time, stated as number of days, shall be calendar days.

H. Proposal Irrevocable. To allow for an adequate evaluation, the Town requires the Proposal to be valid and irrevocable for 90 days after the Proposal Due Date and Time indicated on the cover of this RFP.

I. Amendment/Withdrawal of Proposal. At any time prior to the specified Proposal Due Date and Time, a Vendor (or designated representative) may amend or withdraw its Proposal. Any erasures, interlineations, or other modifications in the Proposal shall be initialed in original ink by the authorized person signing the Proposal. Facsimile, electronic (e mail) or mailgram Proposal amendments or withdrawals will not be considered. No Proposal shall be altered, amended, or withdrawn after the specified Proposal Due Date and Time.

3. Cost of Proposal Preparation. The Town does not reimburse the cost of developing, presenting, or providing any response to this solicitation. Proposals submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Vendor is responsible for all costs incurred in responding to this RFP. All materials and documents submitted in response to this RFP become the property of the Town and will not be returned.

4. Inquiries.

A. Written Inquiries. Any question related to the RFP, including any part of the Scope of Work, shall be directed to the RFP Administrator whose name appears on the cover page of this RFP. Questions shall be submitted in writing by the date indicated on the cover page of this RFP. In the event the Town offices are closed on the Final Date for Inquiries, the Vendor may submit the question(s) to the RFP Administrator via e-mail or voicemail. Any correspondence related to the RFP shall refer to the title and number, page, and paragraph. However, the Vendor shall not place the RFP number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed Proposal and may not be opened until the Proposal Due Date and Time.

B. Inquiries Answered. Verbal or telephone inquiries directed to Town staff **will not be answered.** Within two business days following the Final Date for Inquiries listed on the cover page of this RFP, answers to all questions received in writing or via e-mail will be mailed and/or e-mailed to all parties who obtained an RFP package from the Town and who legibly provided a mailing address and/or e-mail address to the Town. No questions submitted in any form will be answered after the Final Date for Inquiries.

C. Pre-Submittal Conference. A Pre-Submittal Conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this RFP. This conference may be designated as mandatory or non-mandatory on the cover page of this RFP. Additionally, if the Pre-Submittal Conference is designated as mandatory, failure to attend shall render that Vendor's Proposal non-responsive. Vendors

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are strongly encouraged to attend those Pre-Submittal Conferences designated as non-mandatory. The purpose of this conference will be to clarify the contents of this RFP to prevent any misunderstanding of the Town's requirements. Any doubt as to the requirements of this RFP or any apparent omission or discrepancy should be presented to the Town at this conference. The Town will then determine if any action is necessary and may issue a written amendment or addendum to this RFP. Oral statements or instructions will not constitute amendments or addenda to this RFP.

1.5 Addenda. Any addendum issued as a result of any change in this RFP shall become part of the RFP and must be acknowledged in the Proposal submittal. Failure to indicate receipt of the addendum shall result in the Proposal being rejected as non-responsive. It shall be the Vendor's responsibility to check for addenda issued to this RFP. Any addendum issued by the Town with respect to this RFP will be available at:

Town of Tusayan Town Hall
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Town of Tusayan website at:
<https://Tusayan-az.gov>

1.6 Payment Requirements; Payment Discounts. Any Proposal that requires payment in less than 30 calendar days shall not be considered. Payment discounts of 30 calendar days or less will not be deducted from the Proposal Price in determining the low Proposal. The Town shall be entitled to take advantage of any payment discount offered, provided payment is made within the discount period. Payment discounts shall be indicated on Price Sheet.

1.7 Federal Excise Tax; Transaction Privilege Tax. The Town is exempt from Federal Excise Tax, including the Federal Transportation Tax. Transaction privilege tax, if any, shall be included in the unit price for each line item. It shall not be considered a lump sum payment item.

1.8 Public Record. All Proposals shall become the property of the Town and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the Town's Procurement Code.

1.9 Confidential Information. If a Vendor believes that a Proposal or protest contains information that should be withheld from the public record, a statement advising the RFP Administrator of this fact shall accompany the submission and the information shall be clearly identified. The information identified by the Vendor as confidential shall not be disclosed until the Town Manager, or authorized designee, makes a written determination. The Town Manager, or authorized designee shall review the statement and information with the Town Attorney and shall determine in writing whether the information shall be withheld. If the Town Attorney determines that it is proper to disclose the information, the RFP Administrator shall inform the Vendor in writing of such determination.

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1.10 Vendor Licensing and Registration. Prior to the award of the Agreement, the successful Vendor shall (A) be registered with the Arizona Corporation Commission and authorized to do business in Arizona and (B) have a completed Request for Vendor Number on file with the Town Financial Department. The Vendor shall provide licensure information with the Proposal. Corporations and limited liability companies shall be able to provide a Certificate of Good Standing from the Arizona Corporation Commission.

11. Certification. By submitting a Proposal, the Vendor certifies:

A. No Collusion. The submission of the Proposal did not involve collusion or other anti-competitive practices.

B. No Discrimination. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.

C. No Gratuity. It 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 or service to a Town employee, officer, or agent in connection with the submitted Proposal. It (including the Vendor's employees, representatives, agents, lobbyists, attorneys, and subcontractors) has refrained, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the Town Manager, Assistant Town Managers, Department Heads, and other Town staff. All contact must be addressed to the Town's RFP Administrator, except for questions submitted as set forth in Part I, Subsection 1.4 (Inquiries), above. Any attempt to influence the selection process by any means shall void the submitted Proposal and any resulting Agreement.

D. Financial Stability. It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

E. No Signature/False or Misleading Statement. The signature on the cover letter of the Proposal and the Vendor Information Form is genuine and the person signing has the authority to bind the Vendor. Failure to sign the cover letter and the Vendor Information Form, or signing either with a false or misleading statement, shall void the submitted Proposal and any resulting Agreement.

F. Professional Services Agreement. In addition to reviewing and understanding the submittal requirements, it has reviewed the attached sample Professional Services Agreement including the Scope of Work and other Exhibits.

12. Award of Agreement.

A. Selection. A Selection Committee composed of representatives from the Town will conduct the selection process according to the schedule listed on the cover page of this RFP. Proposals shall be opened at the time and place designated on the cover page of this RFP. The name of each Vendor and the identity of the RFP for which the Proposal was submitted shall be publicly read and recorded in the presence of

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witnesses. The Selection Committee shall award the agreement to the responsible and responsive Vendor whose Proposal is determined, in writing, to be the most advantageous to the Town and best meets the overall needs of the Town taking into consideration the evaluation criteria set forth in this RFP. The amount of applicable transaction privilege or use tax of the Town shall not be a factor in determining the most advantageous Proposal. After the Town has entered into an Agreement with the successful Vendor, the successful Proposal and the scoring documentation shall be open for public inspection.

B. Line-Item Option. Unless the Proposal states otherwise, or unless otherwise provided within this RFP, the Town 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 Town.

C. Multiple Award. The Town, at its sole discretion, may elect to enter into Agreements with multiple Vendors who are qualified to provide the Services. The final terms and conditions of the proposed Agreement will be negotiated by the Town with the successful offerors.

D. Form of Agreement. The selected Vendor will be required to execute the Town's standard Professional Services Agreement in a form acceptable to the Town Attorney. A sample of the standard agreement is included with this RFP. If the Town is unsuccessful in negotiating an Agreement with the highest-scoring Vendor, the Town may then negotiate with the second, then third, highest-scoring Vendor until an Agreement is executed. Town Council approval may be required. The Town reserves the right to terminate the selection process at any time.

E. Waiver; Rejection; Reissuance. Notwithstanding any other provision of this RFP, the Town expressly reserves the right to: (1) waive any immaterial defect or informality, (2) reject any or all Proposals or portions thereof and (3) cancel or reissue an RFP.

F. Protests. Any Vendor may protest this RFP, the proposed award of an Agreement, or the actual award of an Agreement. All protests will be considered in accordance with the Town Procurement Code.

1.13 Offer. A Proposal is an offer to contract with the Town based upon the terms, conditions and specifications contained in this RFP and the Vendor's responsive Proposal, unless any of the terms, conditions, or specifications are modified by a written addendum or agreement amendment. Provided, however, that no contractual relationship shall be established until the Vendor has signed, and the Town has approved, a Professional Services Agreement between the Town and the Vendor in the form acceptable to the Town Attorney. A sample Professional Services Agreement is included herein.



II. PROPOSAL FORMAT; SCORING

1. Evaluation Process. Each submittal will be reviewed for compliance with the Proposal requirements by the Selection Committee. If necessary, the Selection Committee may conduct oral interviews with up to three of the highest ranked Vendors based upon the Proposal submittal scoring.

2. Proposal Format and Scoring. Proposals shall be organized and submitted in the format as outlined below. Failure to conform to the designated format, standards and minimum requirements shall result in a determination that the Proposal is non-responsive. Additionally, the Selection Committee will evaluate and award points to each Proposal based upon the evaluation criteria as outlined in this document. Points listed below are the maximum number of points possible for each criterion; there is no minimum number that the Selection Committee must award.

A. General Information - 10 pts.

(1) One page cover letter as described in Part I, Subsection 1.2(C)
(Required Submittal).

(2) Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address, and telephone number of the person to contact concerning the Proposal.

(3) Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.

(4) Provide a general description of the Vendor's organization, including years in business.

(5) Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

(6) Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

(7) Provide information on the results of any federal or state desk reviews or field reviews of Vendor's audits during the past three years.

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(8) Provide information on the circumstances and status of any disciplinary action taken or pending against Vendor's organization during the past three years with state regulatory bodies or professional organizations.

(9) Vendor Information Form, with an **original ink signature** (may be attached as separate appendix).

B. Experience and Qualifications of the Vendor - 20 pts.

(1) Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to municipal auditing.

(2) Provide a list of at least three organizations of a similar size or similar operation to the Town in which these Services have been performed. This list shall include, at a minimum, the following:

- (a) Name of company or organization.
- (b) Contact name.
- (c) Contact address, telephone number and e-mail address.
- (d) Type of services provided.
- (e) Dates of contract initiation and expiration.

These references will be checked, and it is Vendor's responsibility to ensure that all information is accurate and current. Vendor authorizes the RFP Administrator to verify all information from these references and releases all those concerned from any liability in connection with the information they provide. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

(3) The RFP Administrator may conduct any investigation deemed necessary to determine the Vendor's ability to perform the services. Vendors may be requested to submit additional documentation within 72 hours (or as specified) to assist the Town in its evaluation.

C. Key Positions - 20 pts.

(1) Identify each key personnel member that will render services to the Town including title and relevant experience, including the proposed manager and staff.

(2) Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their roles will be in providing services to the Town.

(3) If a subcontractor is used for work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

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(4) Attach a resume, evidence of certification and license for each key personnel member and/or subcontractor to be involved in this project. Resumes should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

D. Project Approach - 20 pts.

(1) Prepare a work plan detailing the audit methodology that will be used to perform the Services in the Scope of Work described in the Professional Services Agreement in Exhibit B. In developing the work plan, reference should be made to sources of information such as the Town's budget and related materials, organizational charts, manuals, and programs as well as financial and management information systems. Each Vendor is required to provide the following information on their work plan:

- (a) Proposed segmentation of the engagement.
- (b) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- (c) Sample size and the extent to which statistical sampling is to be used in the engagement.
- (d) Extent to which software will be used to test the Town's financial systems during the engagement.
- (e) Type and extent of analytical procedures to be used in the engagement.
- (f) Approach to be taken to gain and document an understanding of the Town's internal control structure.
- (g) Approach to be taken in determining laws and regulations that will be subject to audit test work.
- (h) Approach to be taken in drawing audit samples for purposes of tests of compliance.
- (i) How Vendor plans to meet the time constraints and reporting deadline requirements.

(2) The proposal shall identify any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town.

(3) The proposal shall include sample formats for required reports. The samples should be attached in a separate appendix at the end of the Proposal and will not be counted toward the page count.

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(4) Describe any alternative approach that would best suit the needs of the Town. Include rationale for any alternate approach and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

E. Pricing - 30 pts.

Vendor shall submit the same number of copies of a Fee Proposal as described in Part I, Subsection 1.2(C)(5) in a separate, sealed envelope enclosed with the Vendor's Proposal with the signature of the representative of the Vendor who is authorized to make such an offer. The Fee Proposal must be provided in the spreadsheet format attached as Exhibit C of the Professional Services Agreement, to enable the Town staff to determine (1) total labor hours, (2) key team member(s) proposed for each duty and (3) number of management and support personnel hours proposed for the project. The hourly rate, name of the team member and staff classification shall be included in the spreadsheet. Identify all other costs to be billed to the project, including project expenses (no mark-up on expenses will be allowed) and subcontractor fees.

Total Possible Points for Proposal:

100

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III. ORAL INTERVIEWS; SCORING

In the event that a Vendor cannot be selected based solely on the Proposals submitted, up to three Vendors may be selected for oral interviews. The selected Vendors will be invited to participate in discussions with the Selection Committee on the date indicated on the cover page of this RFP and awarded points based upon the criteria as outlined below. Vendors may be given additional information for these oral interviews. These discussions will relate less to the experience and qualifications already detailed in the Proposals and relate more to identification of the Vendor's project approach and to an appraisal of the people who would be directly involved in the Services for this RFP.

Oral Interview

20	Experience and Qualifications of the Vendor
40	Key Positions
40	Project Approach
100	Total Possible Points for Oral Interview

Total Points Possible for this RFP:

200

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IV. VENDOR INFORMATION FORM

By submitting a Proposal, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

VENDOR SUBMITTING PROPOSAL

FEDERAL TAX ID NUMBER

PRINTED NAME AND TITLE

AUTHORIZED SIGNATURE

ADDRESS

TELEPHONE NO.

CITY/STATE/ZIP

DATE

WEBSITE

EMAIL ADDRESS

SMALL, MINORITY, DISADVANTAGED, AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s)):

- _____ Small Business Enterprise (SBE) Minority
- _____ Business Enterprise (MBE Disadvantaged
- _____ Business Enterprise (DBE)
- _____ Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise?

If yes, please provide details and documentation of the certification.

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Section B

PROFESSIONAL SERVICES AGREEMENT BETWEEN THE TOWN OF TUSAYAN AND

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of __, 2024, between the Town of Tusayan, an Arizona municipal corporation (the "Town") and _____, a(n) _____ corporation/limited liability company, (the "Consultant").

RECITALS

A. The Town issued a Request for Proposals No. _____ "Financial Auditing Services" (the "RFP"), a copy of which is on file in the Town's Clerk's Office and incorporated herein by reference, seeking proposals from vendors to provide financial auditing services (the "Services").

B. The Consultant responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A, and incorporated herein by reference, and the Town desires to enter into an Agreement with the Consultant for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Consultant hereby agree as follows:

1. Term of Agreement.

1. Initial Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until _____, 202__ (the "Initial Term"), unless terminated as otherwise provided in this Agreement.

2. Renewal Terms. After the expiration of the Initial Term, this Agreement may be renewed for up to three successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein

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as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

3. Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Consultant shall be deemed to affirmatively assert that (i) the Town is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work attached hereto as Exhibit B and incorporated herein by reference.

3. Compensation. The Town shall pay Consultant an amount not to exceed \$__ for the Services at the rates set forth in the Fee Proposal attached hereto as Exhibit C and incorporated herein by reference.

The Town Manager will be the point of contact under this Agreement. The Town requests that Consultant's invoices either be mailed to the town or emailed to tusayantownmanager@tuayan-az.gov AND Cristina Cartin tusayanbkpr@tusayan-az.gov. Invoices are payable 30 days following the council meeting directly preceding submission of an invoice. The standard itemized detail for an acceptable invoice, as applicable, are:

- a. Date of service performed.
- b. No greater than 15-minute increments.
- c. Including a description of service provided.
- d. Different types of service should be broken out as a separate line item.
- e. Name of authorizing Town agent, Charlie Hendrix, should be included on each invoice.

4. Payments. The Town shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. Consultant shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Consultant's sole determination, the Services to be provided do not require a safety plan, Consultant shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

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845 Mustang Drive
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7. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire Town residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.
8. Equal Opportunity Employment. Consultant will not discriminate as to race, sex, religion, color, age, creed, or national origin in regard to obligations, work and Services performed under the terms of this Agreement. Consultant will comply with Executive Order No. 11246, entitled "Equal Employment Opportunity", and as amended by Executive Order No. 11375, as supplemented by the Department of Labor Regulations (41 CFR, Part 60).
9. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.
10. Licenses; Materials. Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide Consultant, its employees, or subcontractors with any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment, or material to Consultant.
11. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.
12. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

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13. Insurance.

13.1. General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to A.R.S. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to always maintain the required insurance during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials, and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed, and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

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G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers, and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth above and insurance requirements set forth herein protecting the Town and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage, but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title of this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials, and employees are Additional Insureds as follows:

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- (a) Commercial General Liability – Under Insurance Services Office, Inc., ("**ISO**") Form CG 20 10 03 97 or equivalent.
- (b) Auto Liability – Under ISO Form CA 20 48 or equivalent.
- (c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials, and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Consultant shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Section.

13.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products completed operations, personal injury, and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 IO 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant's owned, hired, and non-owned vehicles assigned to or used in the performance of the Consultant's work or services

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under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials, and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers' Compensation Insurance. If Consultant employs anyone who is required by law to be covered by workers' compensation insurance, Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

13.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

14. Termination; Cancellation.

14.1 For the Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Consultant of written notice by the Town. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

14.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

14.3 Due to Work Stoppage. This Agreement may be terminated by the Town

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upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

14.4 Conflict of Interest. This Agreement is subject to the provisions of A.R.S. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

14.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

14.6 Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Consultant hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section

15. Miscellaneous.

15.1 Contractor. It is clearly understood that each party will 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 for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. The consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the

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authority to supervise or control the actual work of the Consultant, its employees, or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and Exhibit B. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Consultant do not intend to, nor will they combine business operations under this Agreement.

15.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Navajo County, Arizona.

15.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

15.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Consultant.

15.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will 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, this Agreement will promptly be physically amended to make such insertion or correction.

15.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

15.7 Entire Agreement; Interpretation; Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked superseded by this Agreement. No representations, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

15.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Consultant in violation of this

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provision shall be a breach of this Agreement by Consultant.

15.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

15.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as a waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

15.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

15.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

15.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

15.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:

Town of Tusayan
845 Mustang Drive
Tusayan, Arizona 86023
Attn: Charlie Hendrix, Town Manager

Town of Tusayan
PO Box 709
845 Mustang Drive
Tusayan, Arizona 86023
Phone: 928-638-9909



With copy to: Pierce Coleman PLLC
7730 East Greenway Road, Suite 105
Scottsdale, Arizona 85260
Attn: Aaron D. Arnson, Esq.

If to Consultant: _____

Attn: _____

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

15.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. Consultant also agrees

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that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

15.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 15.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 15.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give the Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

15.17 E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E verify requirements under A.R.S. § 23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

15.18 Israel. To the extent A.R.S. § 35-393 through § 35-393.03 is applicable, Contractor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in, a boycott of goods and services from Israel, as that term is defined in A.R.S. § 35-393.

15.19 China. Pursuant to and in compliance with A.R.S. § 35-394, Contractor hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Contractor will not, use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. Contractor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs

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and attorney fees incurred by the Town in defending such as action.

15.20 Conflicting Terms. In the event of any inconsistency, conflict, or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any Town approved Purchase Order, the Fee Proposal, the RFP and the Consultant's Proposal, the documents shall govern in the order listed herein. If the Agreement is renewed pursuant to Subsection 1.2 above and such renewal includes any conflicting terms, other than price, those terms will be null and void.

15.21 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

15.22 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGE.]

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF TUSAYAN,
an Arizona municipal corporation

Charlie Hendrix, Town Manager

Date

ATTEST:

Tina Abriani, Town Clerk

APPROVED AS TO FORM:

Aaron D. Arnson, Town Attorney

[ADDITIONAL SIGNATURE ON FOLLOWING PAGE.]

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“Consultant”

_____ a(n) _____

Name: _____
Title: _____

_____ Date

Town of Tusayan
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Phone: 928-638-9909



EXHIBIT A
TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
TOWN OF TUSAYAN
AND

[Consultant's Proposal]

See following pages.

Town of Tusayan
PO Box 709
845 Mustang Drive
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Phone: 928-638-9909



EXHIBIT B
TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE
TOWN OF TUSAYAN
AND

SCOPE OF WORK

1. Background Information.

1.1. The Town.

- A. The Town is a municipal entity governed by an elected Mayor and Council that serves an area of 16.8 square miles with a population of approx. 600 with up to six million visitors a year.
- B. The Town does not provide sewer, water, trash, or electricity services.
- C. The Town's fiscal year begins on July 1 and ends on June 30.
- D. The Town has an average of five full-time employees.
- E. The Town is organized into departments and agencies.
- F. The accounting and financial reporting functions are centralized.
- G. The Finance Department uses QuickBooks and a government accounting software solution Clerkbooks.
- H. The Town prepares its budgets on a basis consistent with generally accepted accounting principles ("GAAP").
- I. Detailed information on the government and its finances can be found on the Town's website: <https://Tusayan-az.gov>.

- 1.2 Component Units. The Town is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in the Town's financial statements.

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3. Fund Structure. The Town uses the following funds in its financial reporting:

Fund Type	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General Fund	1	1
Special Revenue Funds	0	0
Debt Service Funds	0	0
Capital Projects Funds	0	0
Permanent Funds	0	0
Enterprise Funds	0	0
Internal Service Funds	0	0
Expendable Trust Funds	0	0
Nonexpendable Trust Funds	0	0
Private-Purpose Trust Funds	0	0
Pension (and other employee benefits) Trust Funds	1	1

4. Pension Plans. The Town participates in the following pension plans:

Plan	Multiple-Employer	Single-Employer	
	Cost-Sharing Agent	Defined Benefit	Defined Contribution
ASRS	X	X	

6. Town Assistance.

- A. The consultant's principal contact will be Charlie Hendrix, Town Manager, or a designated Town representative who will coordinate the assistance to be provided by the Town.
- B. The department has contract professional staff as well as professional Town staff. The finance department staff and responsible management personnel will be available during the audit to assist the Consultant by providing information, documentation, and explanations. The hours of availability will be Monday through Friday, 8:00 a.m. –

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5:00 p.m. (subject to change).

- C. The preparation of confirmations will be shared between the Town and the Consultant.
- D. Town staff will prepare the following statements and schedules for Consultant, as scheduled by the audit performance date:
 - 1. Financial Statements for all funds, account groups and component units.
 - 2. Cash receipts journals and disbursements.
 - 3. Bank reconciliations.
 - 4. Detailed list of accounts receivable.
 - 5. Detailed list of accounts payable.
 - 6. Schedule of general fixed assets.
 - 7. Schedules of insurance coverage.
 - 8. Schedule of federal financial assistance.
 - 9. Detailed payroll schedules and all related payroll documentation.
 - 10. Detailed schedules of long-term debt.
 - 11. Retirement plan documents and statements.
 - 12. Copy of adopted budget and associated documents.
 - 13. All policies and procedure manuals.
- E. The consultant will be provided with reasonable workspace, desks and chairs, access to a telephone line, photocopying facilities, and fax machines.

2. Auditing Standards. The Services shall be performed in accordance with:

- 2.1. Generally accepted auditing standards ("GAAS") as set forth by the American Institute of Certified Public Accountants.
- 2.2. The standards applicable to financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* ("GAS").
- 2.3. The provisions of the Single Audit Act of 1984 and Single Audit Act Amendments of 1996.

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- 2.4. Audit requirements of Title 2 U.S. Code of Federal Regulations, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - 2.5. The provisions of U.S. Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as supplemented.
 - 2.6. The State of Arizona *Uniform Expenditures Reporting System*, as required by A.R.S. § 41-1279.07, with guidelines set forth by the Arizona Auditor General, and in accordance with the voter-approved alternative expenditure limitation plan adopted August 30, 2016, as authorized by the Arizona Constitution, Article IX, § 20(9).
 - 2.7. The State of Arizona Highway User Revenue Fund ("HURF") expenditure requirements pursuant to A.R.S. § 9-481(B)(2).
3. General Scope of Work.
- 3.1. Annual Audit.
 - A. The Town desires the Consultant to express an opinion on the fair presentation of its general-purpose financial statements in conformity with GAAP. Consultant is not required to audit the combining and individual fund and account group financial statements and supporting schedules; however, Consultant shall provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the general-purpose financial statements. Consultant is not required to audit the statistical section of the report.
 - B. Consultant shall perform certain limited procedures involving required supplementary information required by the GASB as mandated by GAAS. Consultant is not required to audit the schedule of federal financial assistance; however, Consultant shall provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
 - C. Consultant shall express an opinion on the fair presentation of its governmental activities, its business-type activities, its aggregate discretely presented component units, each of its major funds and its aggregate remaining fund information in conformity with GAAP.
 - 3.2. Audit-Related Reports. Following completion of the audit of each fiscal year's financial statements, Consultant shall issue:
 - A. A report on the fair presentation of the financial statements in conformity with GAAP, including an opinion on the fair presentation of the

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supplementary schedule of expenditures of federal awards in relation to the audited financial statements. The report shall also include a determination as to whether HURF monies received by the Town, pursuant to Title 28, Chapter 18, Article 2 of the Arizona Revised Statutes, and any other dedicated state transportation revenues received by the Town are being used solely for the authorized transportation purposes in compliance with A.R.S. §41-1279.07.

- B. A report on compliance and internal control over financial reporting based on an audit of financial statements.
- C. A report on compliance and internal control over compliance applicable to each major federal program.

The reports on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

3.3 Deficiencies. Consultant shall communicate the following deficiencies in the reports on compliance and internal controls:

- A. Significant deficiency – a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with GAAP such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.
- B. Material weakness – a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report.
- C. Control deficiency shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the report(s) on compliance and internal controls.

3.4 Irregularities; Illegal Acts. Consultant shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware, to the Town of Tusayan Council Members and the Town Manager.

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4. Schedule.

4.1 Schedule for the 2024 Fiscal Year Audit. The following are key dates, which may be subject to change by mutual agreement:

- A. The entrance conference will be held after August 1st. The purpose of this meeting will be to:
 - 1. Make arrangements for the Consultant's workspace and needs.
 - 2. Discuss any year-end work to be performed.
- B. Progress conferences will be held periodically with the Town Manager to keep the lines of communication open regarding the status of the audit. They may occur via phone or e mail and do not require Consultant's presence to give a progress report.
- C. Consultant shall provide the Town with a detailed audit plan and a list of all schedules to be prepared by the Town by August 5.
- D. Consultant shall complete interim work by September 1st.
- E. The exit conference shall be held on October 31. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings. All fieldwork shall be completed by this date.
- F. The consultant shall deliver a draft audit report with all notes, schedules, recommendations, and suggestions to the Town Manager for review by November 15.
- G. The final audit report shall be delivered by the Consultant to the Town Manager by November 30.
- H. The consultant shall deliver 2 copies of the final audit report no later than December 2.
- I. The presentation of the final audit report shall be presented to the Council at the meeting in December or January.

4.2 Schedule for Future Audits. A similar time schedule will be developed for the future fiscal years if the Town exercises Renewal Terms.

5. Audit Documentation Retention; Access to Documentation.

- 1. Retention Period. All audit documentation and reports must be retained, at the Consultant's expense, for a minimum of three years, unless the Consultant is notified in writing by the Town of the need to extend the retention period.
- 2. Authorized Parties. The Consultant will be required to make audit

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documentation available, upon request, to the following parties or their designees:

- A. The Town.
 - B. U.S. General Accounting Office
 - C. U.S. Government Accountability Office
 - D. Arizona Auditor General.
 - E. Parties designated by the federal or state governments or by the Town as part of an audit quality review process.
- 5.3 Successor Auditors. Consultant shall respond to reasonable inquiries of successor auditors and allow successor auditors to review audit documentation relating to matters of continuing significance.

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EXHIBIT C
 TO THE
 PROFESSIONAL SERVICES AGREEMENT
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 TOWN OF TUSAYAN
 AND

FEE PROPOSAL

Financial Auditing Services

1. Fees:

Position	Hours	Hourly Rate	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
Subtotal			\$

2. Expenses:

- A. Meals and lodging \$_____
- B. Transportation \$_____
- C. Other (specify) \$_____

Total Fee for 2024 Audit \$_____

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3. Total Fee for Subsequent Years*:
- A. Year 2: \$ _____
 - B. Year 3: \$ _____
 - C. Year 4: \$ _____

*Proposed annual increase should not exceed 5% per year.