



REQUEST FOR PROPOSALS

RFP 20230106: Independent Financial Audit

Issue Date: 1/6/2023

1 INTRODUCTION

2
3 Region 1 Planning Council (**R1**) (also referred to as “Agency,”) requests a response from all qualified and responsible
4 Respondents for a yearly independent financial audit. Respondent must be licensed to practice in the State of Illinois and
5 have experience auditing government and grant-funded agencies. We invite vendors to submit a response with their
6 qualifications for consideration.

7
8 Responses will be evaluated by an internal steering committee to determine if it has the required knowledge, expertise,
9 and experience to fulfill requirements. The Agency may, but is not required to, proceed with negotiations to determine
10 the budget, scope, and deliverables.

11
12 Responses that do not adhere to the requirements herein may not be considered. *Please read the entire solicitation*
13 *package* and submit a response in accordance with the instructions. All forms and signature areas contained in the
14 solicitation package must be completed in full.

16 ABOUT R1

17 Region 1 Planning Council (R1) is a *special-purpose, regional government agency*. Regional councils are public
18 organizations comprised of local elected officials to promote collaboration among local governments, working across the
19 jurisdictional silos of states, counties, and municipalities. R1 supports a well-informed, comprehensive dialogue that
20 holistically addresses regional issues by fulfilling the needs of government entities for long-range planning, securing
21 funding, and analyzing and providing data in support of regional projects and initiatives.

23 SCOPE OF WORK

24 Independent Financial Audit: The annual Independent financial audit is conducted following the close of the agency’s
25 fiscal year which runs from July 1 to June 30. This engagement will include the audit for three consecutive fiscal years,
26 including FY23 (July 1, 2022, to June 30, 2023), FY24 (July 1, 2023 to June 30, 2024), and FY25 (July 1, 2024 to June 30,
27 2025.)

28
29 The independent financial audit should include a thorough review of the agency’s financial and accountability system. At
30 the end of an audit the Respondent will provide a report with any findings or recommendations to strengthen the
31 agency’s accountability and financial processes. This Comprehensive Financial Audit should also include a Consolidated
32 Year End Financial Report (CYEFR) as part of “Other Supplementary Information.” The Respondent will make the audit
33 report available to the Agency in both hard copy and .pdf formats. The Respondent will design and prepare the report
34 with the knowledge that it will be available for public consumption. A peer review letter is required annually.



37 Visit https://drive.google.com/drive/folders/12_2kTF7Ut4KTDR6QHrxXsFKMga3dM6OB?usp=sharing for supplemental
 38 information, including:

- 39 • FY2023 entities and fund descriptions
- 40 • Current policies and procedures
- 41 • Prior audits including management letters
- 42 • Financial statements

43
 44 The prior auditor provided non-attest services as follows:

Service	Service Level
Advisory Services	Limited (e.g. provided sample policy)
Benefit Plan Administration	None
Bookkeeping, Payroll, Disbursements	None
Cash to Accrual Conversions	None
Corporate Finance Consulting	None
Employee Recruitment	None
Financial Statement Preparation	Audit only
Forensic Accounting	None
Information and Technology Services	None
Internal Audit	None
Investment Services	None
Proposing adjusting entries	None
Reconciliations	None
Risk Consulting	None
Tax Services	None
Training Services	2-3 all-client events per year

45
 46 R1 uses Quickbooks as the accounting software through FY22 but is transitioning to Thomson Reuters CS Accounting
 47 Software for FY23 and beyond.

48
 49 R1 maintains four primary funds including approximately 20 categories (departments, grants, restricted funding.) R1 had
 50 approximately \$4 million in revenues and \$3.6 million in expenses for Fiscal Year 2021. The FY2021 audit resulted in 14
 51 adjusting entries. The FY2022 audit is underway as of the date of this publication.

52
 53 **CHANGES:** *The agency recognizes and acknowledges that as a result of changing economic conditions, the growth of the*
 54 *agency, and addition of funds and entities, respondents are unlikely to be able to offer services at rates similar to*
 55 *FY2019-2021.* There has been no change in auditor since FY2019. The prior and current rates below are provided for
 56 informational purposes.

FY	Audit	Single Audit	Additional Fees	Total
2019	3,500	2,500	0	\$6,000
2020	3,600	2,575	0	\$6,175
2021	3,700	2,650	0	\$6,350
2022	9,000	5,000	0	\$14,000



R1 is currently undergoing a change in external accounting services, to include technical support, review, and advisement, accounting and payroll system (from Quickbooks Pro Online to Thomson Reuters Accounting CS), and timekeeping system (from QB Time to TimeWorksPlus.) The transition will be effective for FY2023 books. The agency requires an annual SEFA and reconciliation to the general ledger. We are not aware of any significant changes to SEFA or federal grant programs from FY2021 to FY2023.

Single Audit: A large portion of the Agency’s revenue comes from state and federal grants, which require a Single Audit to be performed annually to maintain compliance with funding requirements. Therefore, in addition to a Comprehensive Annual Financial Report which includes a CYEFR, a Single Audit of grant funds needs to be performed.

Timeline: The audit is expected to be completed by mid-November of the following fiscal year. The Respondent should include a reasonable estimated start date to meet this timeline. The audit is presented to the governing board at the mid-November meeting. The preferred timeline is as follows.

Phase	Timing	Hours
Planning	July	1
Preliminary Fieldwork	August	4-8
Fieldwork	August/September	16-24
Drafts	October	Unk
Finalized	October/November	Unk
Approval	Mid-November***	1

***The approving board meets Feb, May, Sep, and Nov, so delays in finalizing set back the timeline by three months at a time.*

We remain open to on-site, remote, or hybrid services. Prior fieldwork has been performed primarily by two auditors including 1-2 days of hybrid preliminary field work and 2-3 days of hybrid fieldwork.

Agency Participation: The respondent will work the on-staff Senior Accountant as the fieldwork point of contact and Director of Operations and the general point of contact. All documents are maintained and submitted digitally. A private conference room is reserved for auditors for on-site visits if and when they occur.

RESPONSE: QUALIFICATIONS

Your response should clearly identify the following information, preferably in the prescribed outline provided.

1. CONTACT INFORMATION.

- Contact information must include:
- Vendor Name (dba and legal, if applicable)
 - Description of current business
 - Years in operation
 - Number of staff
 - Contact name
 - Office Phone
 - Mobile Phone
 - Business Email



94 **2. DESCRIPTION OF QUALIFICATIONS.**

95 Respondent should provide information establishing its qualifications to perform the services requested, including those
96 listed above. Please provide qualifications of staff relevant to the delivery of services requested.
97

98 **3. WHERE SERVICES ARE TO BE PERFORMED**

- 99 a. Location(s) where services will be performed
- 100 b. Percentage of contract services performed at this/each location

101
102 **4. REFERENCES**

103 Respondent must provide references, including name, contact information, and a description of the services provided,
104 from:

- 105 • three (3) organizations with state or federal grant funding, and
- 106 • three (3) or more government agencies (other than R1),

107 who can attest to Respondent’s experience and ability to perform services subject to this solicitation.
108

109 **RESPONSE: STATEMENT OF WORK (PROPOSAL)**

110 *Your response should clearly identify the following information, preferably in the prescribed outline provided.*

111 **STATEMENT OF WORK.** Proposal describing the Respondent’s solution to meet the requirements of the solicitation.
112 Address the specific requirements described in the Scope of Work (pgs. 1-3); identify proposed timeline and deliverables.
113

114 **RESPONSE: PRICING PROPOSAL**

115 **1. FORMAT OF PRICING:** Respondent’s price proposal shall serve as the basis for the compensation terms of the resulting
116 contract. Failure to submit pricing as shown in this section and as a separate document may render Respondent’s
117 entire proposal non-responsive and ineligible for award. Pricing will be based on the terms and conditions set forth in
118 this solicitation. Pricing shall include:

Item	FY2023	FY2024	FY2025	Row Total
Audit and associated work				
Single audit				
Column Total				
Additional hourly rate(s), if applicable				
Additional cost disclosures, if any				

119
120 Indicate whether the contract pricing is firm or estimated at the time it is submitted for obligation, invoice discounts
121 offered, expense reimbursements requested.
122

123 *[continued, next page]*

124 **INSTRUCTIONS FOR SUBMISSION**

125 **1. DESIGNATED CONTACT:** The individual listed in the “Designated Contact:” on the posting shall be the single point of contact
126 for this solicitation. Unless otherwise directed, Respondents should only communicate with the Designated Contact. R1
127 shall not be held responsible for information provided by or to any other person. Suspected errors should be immediately
128 reported to the Designated Contact. Do not discuss, directly or indirectly, the solicitation or any Response with any officer
129 or employee other than the Designated Contact.
130

131 **Designated Contact:** Julia Halsted
132 127 N Wyman St, Ste 100, Rockford, IL 61101
133 jhalsted@r1planning.org

134
135 **2. GENERAL PROCESS OF SOLICITATION**

136 The following is a general description of the solicitation process. R1 may adjust this process, as needed, and makes no
137 assurance or representation regarding the timing or schedule of the process.

EVENT		DATE, TIME (CST)
1.	RFP Published	Fri, Jan 6, 2023
2.	Pre-submission Teleconference (<i>optional</i>)	n/a
3.	Pre-submission Questions Accepted	Fri, Jan 20, 2023
4.	Questions and Answers Posted	By Tue, Jan 24, 2023
5.	Proposals Due and Opened	Mon, Feb 6, 2023 , by 9:00 am
6.	Responsiveness Determination	By Wed, Feb 8, 2023
7.	Negotiation with Responsive and Responsible Respondents	Feb 8 – 15, 2023
8.	Selection of Preferred Response	By Thu, Feb 16, 2023
9.	Additional Negotiation (<i>if necessary</i>)	Feb 16 – 23, 2023
10.	Notice of Award	By Fri, Feb 24, 2023

138 **3. PRE-SUBMISSION QUESTIONS AND AGENCY RESPONSE:** All questions, other than questions raised at a Pre-
139 Submission Conference, pertaining to this solicitation must be submitted in writing to the Designated Contact.
140 Questions received and R1 responses may be posted as an Amendment to the original solicitation on the website;
141 only these posted answers to questions shall be binding on R1. Respondents are responsible for monitoring for posted
142 updates.

143 **4. PRE-SUBMISSION CONFERENCE**

144 In the posting, the Agency may schedule a Pre-Submission Conference as the “Pre-Bid Conference:”.

145 Is attendance at the Pre-Submission Conference mandatory? Yes No

146 If attendance is mandatory, Respondent (current Vendor included) will be disqualified and considered non-responsive if
147 Respondent does not attend, is not on time, leaves early or fails to sign the attendance sheet. Respondent must allow
148 adequate time to accommodate security screenings at the site.

149 **5. SUBMISSION OF RESPONSE:** Response must be received by the Due Date and Time specified herein by electronic
150 bid response submitted through DemandStar.com. Responses will be downloaded at the time of response opening.

151 *[continued, next page]*
152
153



6. **ORGANIZATION.** Submissions are to be labeled as follows:

File	Contents
1	a) Qualifications b) Statement of Work/Proposal c) Acknowledgement of Terms <i>And, if applicable:</i> d) Request for Preference form e) Supplemental Materials (W-9, Permits, Licenses, Certificate of Insurance) f) Redacted Materials
2	a) Pricing Proposal <i>(must be separate from all other materials)</i>

7. **EVALUATION:** R1 determines how well Responses meet the Responsiveness requirements. R1 will rank Proposals, without consideration of price, from best to least qualified using a point ranking system (unless otherwise specified) as an aid in conducting the evaluation. Respondents who fail to meet minimum requirements or who receive fewer than the minimum required points, if any, will not be considered for price evaluation and award.

R1 evaluates three categories of information: Responsiveness, Responsibility, and Price. R1 considers the information provided and the quality of that information when evaluating Proposals. If R1 finds a failure or deficiency, R1 may reject the Proposal or reflect the failure or deficiency in the evaluation.

8. **RESPONSIVENESS:** A Responsive Respondent is one who submits a Proposal that conforms in all material respects to the Request for Proposal, and includes **all required** forms.

- a. R1 will determine whether the Proposal meets the stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet R1’s needs may be accepted or corrections allowed. If no Respondent meets a particular requirement, R1 may waive that requirement.
- b. When the specification calls for “Brand Name or Equal,” the brand name product is acceptable. Other products will be considered with proof that the other product meets stated specifications and is equivalent to the brand product in terms of quality, performance and desired characteristics.
- c. R1 will determine whether the Proposal complied with the instructions for submitting Proposals. Except for late submissions, and other requirements that by law must be part of the submission, R1 may require that a Respondent correct deficiencies as a condition of further evaluation.

9. **RESPONSIBILITY:** A responsible Respondent is one who has the capability in all respects to perform fully the contract requirements and who has the integrity and reliability that will assure good faith performance. R1 determines whether the Respondent is a “responsible” Respondent; a Respondent with whom R1 can or should do business. For example, R1 may consider the following:

- a. A “prohibited bidder” includes any person assisting an employee of R1 by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or providing similar assistance unless such assistance was part of a publicly issued opportunity to review drafts of all or part of these documents. For purposes of this section, an employee of R1 means one who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a contract. No such person or business shall submit specifications to an agency unless requested to do so by R1. No person or business that contracts with the agency to write specifications for a particular procurement need shall submit a bid or proposal or receive a contract for that procurement need.
- b. Nothing herein is intended to prohibit a vendor from bidding or a Proposal from suppling developing technology, goods or services after providing R1 with a demonstration of the developing technology, goods, or services; provided the subject of the demonstration to R1 represents industry trends and innovation and is not specifically

189 designed to meet R1's needs. Nothing herein is intended to prohibit a person or business from submitting a bid
190 or Proposal or entering into a contract if the person or business: (i) initiates a communication with an employee
191 to provide general information about products, services, or industry best practices and, if applicable, that
192 communication is documented in accordance with Section 50-39 of the Illinois Procurement Code or (ii)
193 responds to a communication initiated by an employee of R1 for the purposes of providing information to
194 evaluate new products, trends, services, or technologies.

- 195 c. Other factors that R1 may evaluate to determine responsibility include, but are not limited to: political
196 contributions, certifications, conflict of interest, financial disclosures, taxpayer identification number, past
197 performance in business or industry, references (including those found outside the Proposal), compliance with
198 applicable laws, financial responsibility, insurability, effective equal opportunity compliance, payment of
199 prevailing wages if required by law, capacity to produce or sources of supply, and the ability to provide required
200 maintenance service or other matters relating to the Respondent's ability to deliver in the quality and quantity
201 within the time and price as specified in this solicitation.
- 202 d. Awarded Respondents must at all times have financial resources sufficient, in the opinion of R1, to ensure
203 performance of the contract and must provide proof upon request. R1 may require a performance bond if, in
204 the opinion of R1, it ensures performance of the contract. R1 may terminate the contract, consistent with the
205 termination for cause provision of the contract, if the vendor lacks the financial resources to perform under the
206 contract.
- 207 e. R1 may require that a Respondent correct any deficiencies as a condition of further evaluation.

208 **10. PRICE:** R1 identifies the the lowest priced Proposal that meets the responsibility and responsiveness requirements, viz.,
209 which proposal provides the smartest budget, accounting for all projected costs, carrying out the statement of work
210 to meet R1's specifications, and discounts, potential ownership, royalty arrangements, or other value added
211 offerings.

212
213 *[continued, next page]*

ACKNOWLEDGEMENT OF TERMS

Attach this signed form to your response.

1. **PUBLICATION:** R1 publishes procurement information, including solicitations, awards, and amendments, to its website <http://r1planning.org/procurement> and large purchases to DemandStar at www.demandstar.com. Respondent is responsible for monitoring the site for updated information. R1 will not be held responsible if Respondent fails to receive optional update notices. If R1 provides information on its website that is different or in conflict with the information entered in DemandStar, then the information on the R1 website is presumed to represent R1's intent.
2. **TERM OF CONTRACT:** The prospective contract has an initial term of 36 months. If a start date is not identified, then the term shall commence upon the last dated signature of the Parties.
 - a. Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted in writing by the Agency.
 - b. In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed ten (10) years.
 - c. Any renewal of the contract is subject to the same terms and conditions as those which apply to the initial term of the contract, unless otherwise provided in the pricing section. R1 may renew the contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of R1. The contract may neither renew automatically nor renew solely at the Vendor's option.
3. **RESPONDENT PERFORMANCE.** The vendor agrees to perform its obligations demonstrating quality workmanship and completion of all work in a timely manner as shall be judged and determined by R1-designated staff.
4. **TERMINATION FOR CAUSE:** R1 may terminate the contract, in whole or in part, immediately upon notice to the Vendor if: (a) R1 determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified R1 that it is unable or unwilling to perform the contract.
 - a. If Vendor fails to perform any material requirement of the contract to R1's satisfaction, it is in violation of a material provision of the contract. If R1 determines that the Vendor lacks the financial resources to perform the contract, then R1 shall provide written notice to the Vendor to cure the problem identified within the period of time specified in R1's written notice. If not cured by that date R1 may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.
 - b. For termination due to any of the causes contained in this Section, R1 retains its rights to seek any available legal or equitable remedies and damages.
5. **TERMINATION FOR CONVENIENCE:** R1 may, for its convenience and with thirty (30) days' prior written notice to Vendor, terminate the contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor. Upon submission of invoices and proof of claim, the Vendor shall be entitled to compensation for supplies and services provided in compliance with the contract up to and including the date of termination.
6. **AVAILABILITY OF APPROPRIATION:** The contract is contingent upon and subject to the availability of funds. R1, at its sole option, may terminate or suspend the contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the Federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the funding governmental entity decreases the Agency's funding by reserving some or all of the Agency's

257 appropriation(s), or (3) the Agency determines, in its sole discretion that a reduction is necessary or advisable
258 based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of
259 appropriation or of a reduction or decrease.

260 7. PAYMENT TERMS AND CONDITIONS

- 261 a. **LATE PAYMENT:** Payments, including late payment charges, will be paid in accordance with the State of Illinois
262 Prompt Payment Act and rules when applicable. Payment terms contained in Vendor's invoices shall have no
263 force or effect.
- 264 b. **EXPENSES:** Prior to the execution of a contract by the Parties, even if the effective date of the contract is prior
265 to execution, R1 will not pay for supplies provided or services rendered, including related expenses, incurred.
- 266 c. **PREVAILING WAGE:** As a condition of receiving payment Vendor must (i) be in compliance with the contract,
267 (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors
268 according to the terms of their respective contracts, and (iv) provide lien waivers to R1 upon request. Examples
269 of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds
270 services, site technician services, natural resource services, security guard and food services. The prevailing
271 wages are revised by the Illinois Department of Labor (DOL) and are available on DOL's official website, which
272 shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for
273 contacting DOL at 217-782-6206 or (<https://www2.illinois.gov/idol/Pages/default.aspx>) to ensure
274 understanding of prevailing wage requirements.
- 275 d. **FEDERAL FUNDING:** The contract may be partially or totally funded with Federal funds. If Federal funds are
276 expected to be used, then the percentage of the goods/services paid using Federal funds and the total Federal
277 funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.
- 278 e. **INVOICING:** By submitting an invoice, Vendor certifies that the supplies or services provided meet all
279 requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract.
280 Invoices for supplies purchased, services performed, and expenses incurred through June 30 of any calendar
281 year must be submitted to R1 no later than July 10 of that calendar year; otherwise Vendor may be required
282 to seek payment through the Illinois Court of Claims.
- 283 f. Vendor shall not bill for any taxes unless accompanied by proof that R1 is subject to the tax. If necessary,
284 Vendor may request the applicable Agency's tax exemption information.
- 285 g. Vendor shall invoice at the completion of the contract. Exceptions to this term are allowed when, as identified
286 in the contract, invoicing is tied to milestones, deliverables, or other invoicing requirements agreed to therein.
- 287 8. **ASSIGNMENT:** The contract may not be assigned or transferred in whole or in part by Vendor without the prior
288 written consent of R1.

289 9. SUBCONTRACTING

- 290 a. Subcontractors are not allowed. A subcontractor is a person or entity that enters into a contractual agreement
291 with a total value of \$50,000 or more with a person or entity who has a contract subject to the Illinois
292 Procurement Code pursuant to which the person or entity provides some or all of the goods, services, real
293 property, remuneration, or other monetary forms of consideration that are the subject of the primary
294 contract, including subleases from a lessee of a contract. If subcontractors are to be utilized, Respondent must
295 identify subcontractors expected to receive \$50,000 or more annually under the contract and disclose the
296 expected amount of money each will receive.
- 297 ~~b. The Respondent shall notify R1 of any additional or substitute subcontractors hired during the term of the~~
298 ~~contract. If required, Respondent shall provide R1 a copy of all such subcontracts within fifteen (15) days after~~
299 ~~execution of the contract or the subcontract, whichever occurs later.~~

300 e.—Any subcontracts entered into prior to award of the contract are done at the sole risk of the Respondent and
301 subcontractor(s).

302 For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered
303 by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance
304 of the contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all
305 authorized subcontractors to be utilized by Vendor in the performance of the contract, together with a description
306 of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor
307 is expected to receive pursuant to the contract. If required, Vendor shall provide a copy of any subcontracts within
308 fifteen (15) days after execution of the contract. All subcontracts must include the same certifications that Vendor
309 must make as a condition of the contract. Vendor shall include in each subcontract the subcontractor certifications
310 as shown on the Standard Certification form available from R1. If at any time during the term of the Contract,
311 Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the
312 Contract, R1 Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected
313 amount of money that each new or replaced subcontractor will receive pursuant to the Contract.

314 **10. AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the
315 performance of the contract and any subcontract necessary to support amounts charged to R1 pursuant the
316 contract or subcontract. Books and records, including information stored in databases or other computer systems,
317 shall be maintained by the Vendor for a period of three (3) years from the later of the date of final payment under
318 the contract or completion of the contract, and by the subcontractor(s) for a period of three (3) years from the
319 later of final payment under the term or completion of the subcontract. If Federal funds are used to pay contract
320 costs, the Vendor and its subcontractors must retain their respective records for five (5) years. Books and records
321 required to be maintained under this section shall be available for review or audit by representatives of: the
322 procuring Agency or other governmental entities with monitoring authority, upon reasonable notice and during
323 normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any
324 investigation conducted by any of these entities. Failure to maintain books and records required by this section
325 shall establish a presumption in favor of R1 for the recovery of any funds paid by R1 under the contract or any
326 subcontract for which adequate books and records are not available to support the purported disbursement. The
327 Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's or subcontractor's
328 books and records. 30 ILCS 500/20-65.

329 **11. TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of the contract. Vendor
330 shall continue to perform its obligations while any dispute concerning the contract is being resolved unless
331 otherwise directed by R1.

332 **12. NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right
333 does not waive that Party's right to exercise or enforce that or other rights in the future.

334 **13. FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable
335 circumstances beyond its reasonable control and not due to its negligence including acts of nature, acts of
336 terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may
337 cancel the contract without penalty if performance does not resume within thirty (30) days after the declaration.

338 **14. CONFIDENTIAL INFORMATION:** Respondent should provide a redacted copy of the Proposal, if applicable, that
339 removes material considered to be a trade secret or competitively sensitive, confidential, or proprietary. Each
340 Party to the contract, including its agents and subcontractors, may have or gain access to confidential data or
341 information owned or maintained by the other Party in the course of carrying out its responsibilities under the
342 contract. Vendor shall presume all information received from R1 or to which it gains access pursuant to the
343 contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure

344 under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected,
345 maintained, or used in the course of performance of the contract shall be disseminated except as authorized by
346 law and with the written consent of the disclosing Party, either during the period of the contract or thereafter.
347 The receiving Party must return any and all data collected, maintained, created or used in the course of the
348 performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at
349 the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing
350 obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to
351 its acquisition from the disclosing Party that were received in good faith from a third-party not subject to any
352 confidentiality obligation to the disclosing Party; that is now or later becomes publicly known through no breach
353 of confidentiality obligation by the receiving Party; or that is independently developed by the receiving Party
354 without the use or benefit of the disclosing Party's confidential information.

355 **15. USE AND OWNERSHIP:** All work performed or supplies created by Vendor under the contract, whether written
356 documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all
357 intellectual property and other laws. R1 does not waive its right to sole and exclusive ownership for all such work,
358 unless otherwise agreed in writing. Vendor acknowledges R1 may use the work product for any purpose.
359 Confidential data or information contained in such work shall be subject to the confidentiality provisions of the
360 contract.

361 **16. INDEMNIFICATION AND LIABILITY:** The Vendor shall indemnify and hold harmless R1, its agencies, officers,
362 employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities,
363 settlements, and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a)
364 any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or
365 agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or
366 any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act,
367 activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual
368 or alleged claim that the services or goods provided under the contract infringe, misappropriate, or otherwise
369 violate any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party. Neither
370 Party shall be liable for incidental, special, consequential, or punitive damages.

371 **17. INSURANCE:** Vendor shall, at all times during the term of the contract and any renewals or extensions, maintain
372 and provide a Certificate of Insurance naming R1 as an additional insured for all required bonds and insurance.
373 Certificates may not be modified or canceled until at least thirty (30) days' notice has been provided to R1. Vendor
374 shall provide: (a) General Commercial Liability insurance in the amount of \$1,000,000 per occurrence (Combined
375 Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including
376 Hired Auto and Non-owned Auto (Combined Single Limit Bodily Injury and Property Damage), in the amount of
377 \$1,000,000 per occurrence; and (c) Worker's Compensation insurance in the amount required by law. Insurance
378 shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

379 **18. INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or
380 joint venturer with R1. All payments by R1 shall be made on that basis.

381 **19. SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by R1 during the term of the
382 contract to perform any work under the contract. Vendor shall give notice immediately to the Agency's director if
383 Vendor solicits or intends to solicit R1 employees to perform any work under the contract.

384 **20. BACKGROUND CHECK:** Whenever R1 deems it reasonably necessary for security reasons, R1 may conduct, at its
385 expense, criminal and driver history background checks of Vendor's and subcontractor's officers, employees or
386 agents. Vendor or subcontractor shall immediately reassign any individual who, in the opinion of R1, does not pass
387 the background checks.

- 388 **21. APPLICABLE LAW:** The Vendor, its employees, agents, and subcontractors shall comply with all applicable Federal,
389 State, and local laws, rules, ordinances, regulations, orders, Federal circulars and all license and permit
390 requirements in the performance of the contract. Vendor shall be in compliance with applicable tax requirements
391 and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions
392 necessary for the performance of the contract. Furthermore, the contract shall be construed in accordance with
393 and is subject to the laws and rules of R1.
- 394 **22. EQUAL OPPORTUNITY:** The Department of Human Rights' Equal Opportunity requirements are incorporated by
395 reference. 44 ADM. CODE 750.
- 396 **23. OFFICIAL TEXT:** The official text of the statutes cited herein is incorporated by reference.
- 397 **24. ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under Federal or
398 State antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney
399 General, Vendor shall assign to R1 all of Vendor's rights, title and interest in and to the claim or cause of action.
- 400 **25. CONTRACTUAL AUTHORITY:** The Agency that signs the contract on behalf of R1 shall be the only entity responsible
401 for performance and payment under the contract. When an Agency representative signs, they do so as approving
402 officer and shall have no liability to Vendor.
- 403 **26. EXPATRIATED ENTITIES:** Except in limited circumstances, no business or member of a unitary business group, as
404 defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with the Agency if that business
405 or any member of the unitary business group is an expatriated entity.
- 406 **27. NOTICES:** Notices and other communications provided for herein shall be given in writing via electronic mail
407 whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall
408 be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery, via
409 courier (UPS, Federal Express or other similar and reliable carrier), showing the date and time of successful receipt.
410 Notices shall be sent to the individuals who signed the contract using the contact information following the
411 signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving
412 notice, either Party may change its contact information.
- 413 **28. MODIFICATIONS AND SURVIVAL:** Amendments, modifications, and waivers must be in writing and signed by
414 authorized representatives of the Parties. Any provision of the contract officially declared void, unenforceable, or
415 against public policy, shall be ignored and the remaining provisions shall be interpreted, to the extent possible, to
416 give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive
417 termination. In the event of a conflict between R1's and the Vendor's terms, conditions and attachments, R1's
418 terms, conditions, and attachments shall prevail.
- 419 **29. PERFORMANCE RECORD/SUSPENSION:** Upon request of R1, Vendor shall meet to discuss performance or provide
420 contract performance updates to help ensure proper performance of the contract. R1 may consider Vendor's
421 performance under the contract and compliance with law and rule to determine whether to continue the contract,
422 whether to suspend Vendor from doing future business with R1 for a specified period of time, or whether Vendor
423 can be considered responsible on specific future contract opportunities.
- 424 **30. FREEDOM OF INFORMATION ACT:** The contract and all related public records maintained by, provided to, or
425 required to be provided to R1 are subject to the Illinois Freedom of Information Act notwithstanding any provision
426 to the contrary that may be found in the contract. 5 ILCS 140.
- 427 **31. SCHEDULE OF WORK:** Any work performed on premises shall be performed during the hours designated by R1
428 and performed in a manner that does not interfere with R1 and its personnel.
- 429 **32. WARRANTIES FOR SUPPLIES AND SERVICES**
- 430 a. Vendor warrants that the supplies furnished under the contract will: (a) conform to the standards,
431 specifications, drawings, samples or descriptions furnished by R1 or furnished by the Vendor and agreed to

432 by R1, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good
433 quality and workmanship, and free from defects for a period of twelve months or longer if so specified in
434 writing, and fit and sufficient for the intended use; (c) comply with all Federal and State laws, regulations, and
435 ordinances pertaining to the manufacturing, packing, labeling, sale, and delivery of the supplies; (d) be of good
436 title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other
437 intellectual property rights of any third party. Vendor agrees to reimburse R1 for any losses, costs, damages
438 or expenses, including without limitation, reasonable attorneys' fees and expenses arising from failure of the
439 supplies to meet such warranties.

440 b. Vendor shall ensure that all manufacturers' warranties are transferred to R1 and shall provide to R1 copies of
441 such warranties. These warranties shall be in addition to all other warranties, express, implied, or statutory,
442 and shall survive R1's payment, acceptance, inspection, or failure to inspect the supplies.

443 c. Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient
444 and effective manner by trained and competent personnel. Vendor shall monitor the performance of each
445 individual and shall immediately reassign any individual who does not perform in accordance with the
446 contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract
447 or State policies.

448 **33. REPORTING, STATUS AND MONITORING SPECIFICATIONS:** Vendor shall immediately notify R1 of any event that
449 may have a material impact on Vendor's ability to perform the contract.

450 **34. EXCEPTIONS AND PROVISIONS.** Exceptions (*if applicable*) must be provided on the Acceptance of Terms form or
451 must be in a substantially similar format. R1 discourages taking exceptions. State law shall not be circumvented
452 by the exception process. Exceptions may result in rejection of the Proposal. Additional terms and conditions to
453 contracting may be submitted Supplemental Provisions.

454 Respondent agrees with the terms and conditions set forth in R1 Request for Proposal, including the standard
455 terms and conditions, provisions, certifications, and disclosures, with the following exceptions (if any). Requested
456 modifications to terms, conditions, or provisions here:

457 _____
458 _____
459 _____
460 _____
461 _____

462 ***Reference the line number and state the modification such as "add," "replace," or "delete."***

463
464
465
466
467
468
469
470
471
472
473
474
475

35. RESPONDENT ACKNOWLEDGEMENT OF TERMS

Excluding certifications required by statute to be made by the Respondent, both Parties agree that all of the duties and obligations that the Respondent owes to Agency for the work performed shall be pursuant to the solicitation, resulting contract, and Respondent’s exceptions accepted by R1 thereto as set forth herein.

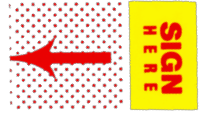
Respondent hereby acknowledges the terms as provided within the request for proposals.

Signature of Authorized Representative: _____

Printed Name of Signatory: _____

Position: _____

Date: _____



Required: Attach to submission

476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516

REQUEST FOR PREFERENCE FORM

The Illinois Procurement Code provides various preferences to promote business opportunities in Illinois. Does Respondent make any claims for preferences? If so, please mark the applicable preference(s) and include a listing of the items that qualify for the preference at the end of this Section and a description of why the preference applies. Agency reserves the right to determine whether the preference indicated applies.

- Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575).
- Veterans Preference (330 ILCS 55). Go to <https://cms.diversitycompliance.com/> to search for certified VOSB and SDVOSB vendors.
- Not-for-Profit Agencies for Persons with Significant Disabilities (30 ILCS 500/45-35).
- Disabled Veterans (30 ILCS 500/45-57).
- Small Businesses (30 ILCS 500/45-45).
- Resident Bidder (30 ILCS 500/45-10).
- Soybean Oil-Based Ink (30 ILCS 500/45-15).
- Recycled Materials (30 ILCS 500/45-20).
- Recycled Paper (30 ILCS 500/45-25).
- Environmentally Preferable Supplies (30 ILCS 500/45-26).
- Correctional Industries (30 ILCS 500/45-30).
- Gas Mileage (30 ILCS 500/45-40).
- Illinois Agricultural Products (30 ILCS 500/45-50).
- Corn-Based Plastics (30 ILCS 500/45-55).
- Vehicles Powered by Agricultural Commodity-Based Fuel (30 ILCS 500/45-6)
- Biobased Products (30 ILCS 500/45-75).
- Historic Preference Area (30 ILCS 500/45-80).
- Procurement of Domestic Products (30 ILCS 517).
- Public Purchases in Other States (30 ILCS 520).
- Illinois Mined Coal (30 ILCS 555).
- Steel Products Procurement (30 ILCS 565).
- Fair Chance Hiring Practices
- State-Registered Vendor
- Certified BEP Vendor Go to <https://cms.diversitycompliance.com/> to search for certified BEP vendors.

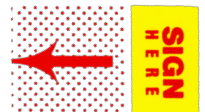
Explanation of Preference Qualifications selected: _____

Signature of Authorized Representative: _____

Printed Name of Signatory: _____

Respondent's Name: _____

Date: _____



If applicable: include this form and related attachments