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REQUEST FOR PROPOSAL (RFP) #2013-09

Project Name:	Research Compliance Advisory Services- Portland State University
RFP Due Date/Time:	January 2, 2014 4:00 PM PST
OUS Procurement Contact:	Ian Best, OUS Contract Manager
Phone:	(503) 725-5770
Email:	PACS@ous.edu
Addenda/Modifications posted (as necessary):	http://secure.ous.edu/bid

IMPORTANT NOTICE

Read this document carefully. By submitting a Proposal in response to this Request for Proposals (“RFP”) you acknowledge that you have read, understand, and agree to comply with all the provisions of this document. The Oregon University System (“OUS”) may modify the RFP, or make relevant information available to potential Proposers. It is the responsibility of potential Proposers to refer daily to the OUS Current Business and Bidding Opportunities website (<https://secure.ous.edu/bid/>) to check for any available addenda, responses to clarifying questions, or solicitation cancellations.

SECTION I.

Introduction

The Internal Audit Division (“IAD”) of the OUS¹ is seeking proposals for advising services (“Services”) to assist the Research Office at Portland State University (“PSU”) in assessing current compliance with Office of Budget Management (“OMB”) requirements governing Federal grants or appropriations. The Services are necessary to prepare for planned reforms to Federal policies relating to grants, cost principles, and administrative requirements.

Background

Founded in 1955, PSU’s mission is to enhance the intellectual, social, cultural and economic qualities of urban life by providing access to a quality liberal education for undergraduates and an appropriate array of professional and graduate programs relevant to metropolitan areas. As the largest university in Oregon, PSU serves more than 29,000 students, offering over 220 bachelor’s, master’s and doctoral degrees through 60 undergraduate and 40 graduate programs in fine and performing arts, liberal arts and sciences, business administration, education, urban and public affairs, social work, engineering and computer science.

¹ The OUS is charged with oversight of the following public universities: Eastern Oregon University in La Grande; Oregon Institute of Technology in Klamath Falls; Oregon State University in Corvallis and Bend; Portland State University in Portland; Southern Oregon University in Ashland; University of Oregon in Eugene; and Western Oregon University in Monmouth.

PSU conducts research and community service that support a high quality educational environment and reflect issues important to the region. PSU is Oregon's largest urban research university, with \$59 million in external funding in fiscal year 2013.

PSU's Research and Strategic Partnerships Office includes:

- Innovation and Intellectual Property (IIP) serves as the [technology transfer](#) office for PSU. IIP is responsible for administering the OUS's [Intellectual Property Policies](#) and for managing PSU's intellectual property around innovations from research and other activities. The office serves as a bridge between researchers and commercial entities, from Oregon-based startups to large international companies.
- Strategic Partnerships (SP) leverages collaboration by identifying and cultivating public and private partnerships that simultaneously address pressing metropolitan problems while building and enhancing PSU's reputation as a world class urban serving university.
- Office of Research Integrity (ORI) ensures compliance with ethical and legal responsibilities in research involving animal care and use, biosafety, chemical safety, radiation safety, and conflict of interest. ORI includes the Animal Care and Use Committee (IACUC), Institutional Review Board (IRB), Responsible Conduct of Research, and Financial Conflict of Interest (FCOI).
- Sponsored Project Administration (SPA), within Research and Strategic Partnerships (RSP), has central responsibility for administering pre- and post-award activities related to sponsored projects. Functions include proposal review, monitoring institutional compliance with terms and conditions, official institutional signatory, policy and procedure development, award management, training, and compliance activities related to research administration.
- Departmental Research Administration (DRA) provides research administration services in colleges. DRA staff assists PIs in budget and proposal preparation and provide post-award budget management assistance.
- Research Development and Incentive Programs provides internal funding for research seeding, emergencies, time releases, equipment, and student involvement, and coordination of "limited submission" opportunities.
- University Centers and Institutes are administered through the research office. University centers and institutes include the Center for Electron Microscopy and Nanofabrication Center for Interdisciplinary Mentoring Research, Institute for Sustainable Solutions, Oregon Transportation Research and Education Consortium, and Survey Research Lab. These centers and institutes conduct research that spans disciplinary and college boundaries.

PSU's Research Office is subject to OMB requirements, specifically those set forth in the following OMB Circulars:

- OMB Circular A-21, Cost Principles for Educational Institutions (05/10/2004)
- [OMB Circular A-110](#), Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993, further amended 09/30/1999)
- [OMB Circular A-133](#), Audits of States, Local Governments and Non-Profit Organizations (includes revisions published in the Federal Register 06/27/2003 and 06/26/2007)

[Section II begins on next page.]

SECTION II. SCOPE OF WORK

1. SCOPE OF WORK

Services must be performed in conformance with nationally recognized auditing or advisory standards including but not limited to those promulgated by the American Institute of Certified Public Accountants, General Accountability Office, or the *International Institute of Internal Auditors*.

Contractor shall review five open high risk and high visibility Federal grants or appropriations. PSU will select two grants for specific testing and provide all necessary information and records that are likely to be the subject of future A-133 audits and Inspector General close-out audits. In addition, the contractor shall select a sample of transactions in accordance with A-133 standard methodology.

The review shall include an assessment of internal controls, general compliance and agency specific compliance requirements over grants selected in accordance with most current OMB Circular A-133 Compliance Supplement with specific focus on the following types of compliance requirements:

1. Activities allowed or unallowed (sample selected for testing shall include procurement card, direct charge, travel and cost transfer transactions);
2. Allowable costs/costs principles (sample selected for testing shall include procurement card, direct charge, travel and cost transfer transactions);
3. Equipment and real property management;
4. Matching, level of effort and earmarking;
5. Period of availability of Federal funds;
6. Reporting;
7. Sub-recipient monitoring; and
8. Special tests and provisions.

Observations should include, but not be limited to, identifying the following:

1. Potential control deficiencies;
2. Areas where compliance practices can be improved;
3. Best practices for monitoring and auditing research compliance; and
4. Potential exposure to non-compliance on future grants.

2. DELIVERABLES

A. During the course of the engagement, Contractor will be required to conduct an:

1. Entrance meeting at the beginning of fieldwork (may be conducted remotely).
2. Update meeting for relevant IAD and Research Office personnel prior to leaving the site at the close of fieldwork.
3. Additional update meetings and an exit meeting (as requested by IAD). The date, time, and frequency of such meetings will be determined by IAD based on the progress of Contractor's Services (may be conducted remotely if appropriate).

B. Contractor will be required to prepare a management report ("Report"). Report format shall be discussed with and approved by the Chief Audit Executive before the Report is drafted. The Report shall:

1. Be addressed to Patricia Snopkowski, Chief Audit Executive, Oregon University System. Copies shall also be addressed to the following PSU personnel: Jonathan Fink, Vice President for Research; and Monica Rimai, Vice President for Finance and Administration.

2. Provide observations on the reviewed grants and appropriations as required in this Scope of Work. Observations are to include the condition observed, criteria governing the condition, cause of the condition, effect of the condition, and recommended corrective action.
- C. Contractor must provide the final copy of the Report to IAD not later than 4 p.m. Pacific Standard Time on May 1, 2014. IAD will review the Report, and may make comments. The Contractor shall complete any additional work required by IAD's comments within ten business days of receiving such comments.

3. TERM

The contract with the Contractor is expected to begin in **January 2014** and extend to **May 15, 2014**. OUS reserves the right to terminate any contract awarded through this RFP upon 30 days notice.

4. PAYMENT

Contractor shall submit invoices to the OUS for its services performed in the preceding month. Payment of Contractor invoices by OUS is normally made within 30-45 days of receipt of complete and accurate invoices. Contractor terms may not require payment in less than 30 days after receipt of invoice by OUS. Any late payment or delinquency fees shall be in accordance with ORS 293.462.

5. TRAVEL

OUS will not reimburse for travel expenses. Proposers should include expected travel costs (if any) in the Pricing section of their Proposal.

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**SECTION III.
PROPOSAL CONTENT and DELIVERY**

Proposals that do not contain all the information requested in this and other sections may be rejected as non-responsive. Proposers must clearly identify the costs associated with the Scope of Work.

1. PROPOSAL CONTENT

Proposals should be short and concise and must include the following:

- a. **Title Page and/or Cover Letter.** The title page and/or cover letter should indicate the date, subject, name of the Proposal, address, telephone number, e-mail address, name and title of the Proposer's contact person as well as a signature of an authorized official with the authority to negotiate and contractually bind the Proposer.
- b. **Required Information Form.** Complete the Required Information Form for Proposers (Section IV). Please respond by restating each section and thereafter providing the requested information in order beginning with question 1.
- c. **Proposer Tax Laws and Non-discrimination Certification.** This form is provided in Section VII and must be signed by an authorized signatory.

2. DELIVERY OF PROPOSALS

Complete Proposals (including all attachments) must be emailed to the OUS per the contact information provided on page 1 of this RFP. Proposals must be electronically received by the Closing Date and Time indicated on page 1 of this RFP. **The email subject line must be as follows: "Response to RFP #2013-09."** Proposals delayed or lost by email system filtering or failures may be considered at the OUS's sole discretion. All pages requiring signature shall be scanned and emailed with the Proposal.

If email is not possible and pre-approval of alternate method is obtained from the OUS, a hard copy (mail or hand-delivery) or fax may be submitted. It is the responsibility of the Proposer to confirm receipt or delivery of any Proposal. No late Proposals will be accepted. Incomplete Proposals that don't minimally include the above information may be rejected if it is in the best interest of OUS to do so.

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**SECTION IV.
REQUIRED INFORMATION FORM
RFP #2013-09**

Please submit the following information in order beginning with section #1. Please be specific with names and numbers.

1. Statement of Qualifications

Proposers must certify to each of the following: 1) the firm is authorized to transact business in the State of Oregon; 2) meets the requirements to practice in the State of Oregon (as set forth in ORS 673.010 to 673.990 and enforced by the Oregon Board of Accountancy); and 3) possesses all current licenses and certifications necessary to perform and provide all of Services described in this Scope of Work.

2. Background Information

- A. Provide a company profile and description of experience in the successful completion of Federal research grant audits. Firms should provide evidence of the successful completion of at least three such projects. For each project, provide:
 - 1. Project name and location
 - 2. Name of project owner and owner's industry
 - 3. Grant type, value and duration
 - 4. Description of scope of services provided for the project
 - 5. For firms with multiple locations, the location of the office performing the engagement
 - 6. Names, titles and professional certifications of staff assigned to the engagement
- B. Provide a statement of interest to provide services to OUS and describe what distinguishes your company from others in the research grant audit industry.
- C. Provide a summary of your firm's past experience with the Oregon University System (OUS); include a description of any audit or advisory services provided for OUS in this summary.
- D. Provide a list of specific person(s) who will be included on the engagement team and resumes for each person. Include information on professional certifications held by members of the proposed engagement team as appendices to the Proposal.
- E. Provide a description of any known or perceived conflicts of interest with OUS, its employees, faculty, staff and contracted vendors of other services.
- F. Provide a sample report which represents your firm's typical reporting style for research grant audit or advisory services.
- G. Provide a summary of your firm's error and omissions coverage.

3. Work Plan

- A. Using the Scope of Work as a guide, outline a comprehensive work plan for providing these Services. The work plan should:
 - 1. Show an understanding of the work to be performed.
 - 2. Include the approach and methodology that will be used during the engagement.
 - 3. Include a synopsis of how items in the Scope of Work will be addressed.
 - 4. Provide sufficient detail for the reader to understand what steps and tests will be undertaken during the engagement.
 - 5. Identify your firm's expectations of OUS during the engagement.

4. Cost Summary

Provide an aggregate not-to-exceed cost of Services broken down by cost, staff members, and estimated hours. Include travel expenses and other reimbursable costs in the not-to-exceed cost of Service as these will not be reimbursed separately. Pricing and fee schedules should be on an hourly rate and sufficiently descriptive to facilitate acceptance of a Proposal.

5. Reference Review

Provide four references from clients for whom your firm has provided research grant services during the past three years, including:

1. One client that has newly engaged the firm within the last 36 months.
 2. One long-term client whom your firm has served for longer than 36 months.
- Include client name, contact person, address and phone number with reference. Do not include references from institutions that are part of OUS.

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SECTION V.
PROPOSAL EVALUATION

1. EVALUATION

Proposals will be evaluated for completeness, clarity, and compliance with this RFP. Proposals considered complete will be evaluated to determine if they comply with the administrative, contractual, and technical requirements of the RFP. If the Proposal is unclear, Proposers may be asked to provide written clarification. OUS will award a Contract to the Proposer which it feels provides the best value based on all relevant considerations.

Criteria for Selection

Proposals will be evaluated to determine which Proposal represents the best value as determined solely by OUS. OUS will consider prior relevant experience, price, quality of the proposed Work Plan, references, and overall quality of the Proposal. Specific attention will be paid to the clarity and completeness of Proposer's responses included in the Required Information Form.

Proposals that include more transparency in regards to pricing and services included in the Proposal will be considered favorably during Proposal evaluation.

References

Selection of a Proposal may be contingent on a review of the Proposer's references. Information provided by references submitted by a Proposer, as well as other references identified by the OUS, may prevail in final selection.

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SECTION VI.
GENERAL PROVISIONS

The OUS reserves the right to reject any and all Proposals received as a result of this RFP. Oregon Administrative Rules (“OAR”) Chapter 580, Divisions 61 and 62 govern the procurement process for the OUS.

1. Modification or Withdrawal of Proposal: Any Proposal may be modified or withdrawn at any time prior to the closing deadline, provided that a written request is received by the OUS prior to the Closing Date. The withdrawal of a Proposal will not prejudice the right of a Proposer to submit a new Proposal.

2. Informal Procurement: The Oregon University System (OUS) Purchasing Rules, Policies and Guidelines allows the OUS to use an “Informal Procurement Process” for all purchases of supplies, equipment, and trade and professional services where the cost will not exceed \$150,000. The budget for the services included in the RFP may not exceed \$150,000.

3. Protests of Specifications: Protests of the RFP specifications may be made only if a term or condition of the RFP violates applicable law. Protests of Specifications must be received in writing prior to the date and time indicated in the Schedule of Events at the address or email address listed on page 1 of this RFP. Protests may not be faxed. Protests of the RFP specifications must include the reason for the protest and any proposed changes to the requirements.

4. Requests for Clarification and Requests for Change: Proposers may submit questions regarding the specifications of the RFP. Questions must be received in writing at the email address listed on page 1 of this RFP. OUS will make reasonable efforts to answer all questions, however, OUS does not guarantee that answers will be provided to questions asked two business days or less before the RFP Due Date/Time.

Requests for changes must include the reason for the change and any recommended modifications to the RFP requirements. The purpose of this requirement is to permit the OUS to correct, prior to consideration of the Proposals, RFP terms or technical requirements that may be improvident or which unjustifiably restrict competition. The OUS will consider all requested changes and, if appropriate, amend the RFP. The OUS will post reasonable notice in accordance with Section 5 “Addenda” below.

5. Addenda: If any part of this RFP is amended, addenda will be provided on the OUS Current Business and Bidding Opportunities website (<https://secure.ous.edu/bid/>). Proposers are exclusively responsible for checking the OUS Current Business and Bidding Opportunities website to determine whether any addenda have been issued. **By submitting a Proposal, each Proposer thereby agrees that it accepts all risks and waives all claims associated with or related to its failure to obtain any addendum or addendum information.**

6. Acceptance of Contractual Requirements: Failure of the selected Proposer to execute a contract and deliver required insurance certificates within ten (10) calendar days after notification of an award may result in cancellation of the award. This time period may be extended at the option of the OUS.

7. Public Records: Proposals are deemed confidential until the “Notice of Intent to Award” letter is issued. This RFP and one copy of each original Proposal received in response to it, together with copies of all documents pertaining to the award of a contract, will be kept and made a part of a file or record which will be open to public inspection. If a Proposal contains any information that is considered a **TRADE SECRET** under the Oregon Revised Statutes (“ORS”) 192.501(2), **SUCH INFORMATION MUST BE LISTED ON A SEPARATE SHEET CAPABLE OF SEPARATION FROM THE REMAINING QUOTE AND MUST BE CLEARLY MARKED WITH THE FOLLOWING LEGEND:**

“This information constitutes a trade secret under ORS 192.501(2), and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192.”

By submitting a Proposal in response to this RFP, Proposers acknowledge and agree that any information not set apart and labeled as described above is not a trade secret under ORS 192.501(2) and may be subject to disclosure under the Oregon Public Records Law.

The Oregon Public Records Law exempts from disclosure only bona fide trade secrets, and the exemption from disclosure applies only “unless the public interest requires disclosure in the particular instance.” ORS 192.500(1). Therefore, non-disclosure of documents or any portion of a document submitted as part of a Proposal, including those labeled as Trade Secrets, may depend upon official or judicial determinations made pursuant to the Public Records Law.

8. Investigation of References: The OUS reserves the right to investigate all references in addition to supplied references and investigate past performance of any Proposer with respect to its successful performance of similar services, compliance with specifications and contractual obligations, completion or delivery of a project on schedule, and lawful payment of subcontractors and employees. The OUS may postpone the award or the execution of the contract after the announcement of the apparent successful Proposer in order to complete its investigation. Information provided by references may prevail in final selection, regardless of preliminary scoring results.

Despite its right to investigate all Proposer references, the OUS is not obligated to utilize references as part of its evaluation criteria and may decline to investigate or consider references. Any decision made by the OUS in regards to the use of references, including restricting the consideration of references to only Finalists, will not be considered grounds for protest.

9. RFP Preparation Costs: Cost of developing the Proposal, providing copies of work samples, attendance at an interview (if requested by the OUS) or any other such costs are entirely the responsibility of the Proposer and will not be reimbursed by the OUS. By submitting a Proposal, each Proposer thereby accepts all risks, and waives all claims, associated with or related to the costs it incurs in Proposal preparation, submission, and participation in the solicitation process.

10. Clarification and Clarity: The OUS reserves the right to seek clarification of each Proposal or to make an award without further discussion of Proposals received. Therefore, it is important that each Proposal initially be submitted in the most complete, clear, and favorable manner possible.

11. Right to Reject Proposals: The OUS reserves the right to reject any or all Proposals if such rejection would be in the public interest. Whether such rejection is in the public interest will be solely determined by the OUS.

12. Cancellation: The OUS reserves the right to cancel or postpone this RFP at any time or to award no contract.

13. Proposal Terms: All Proposals, including any price quotations, will be valid and firm through the period of contract execution.

14. Usage: It is the intention of the OUS to utilize the services of the successful Proposer(s) to provide services as outlined in the below Scope of Work.

15. Sample Contract: Submission of a Proposal in response to this RFP indicates Proposer’s willingness to enter into a contract containing substantially the same terms listed in Exhibit A – State Board of Higher Education Professional Services Contract, attached hereto. No action or response to the sample contract is required under this RFP. Any objections to the sample contract terms should be raised in accordance with

Paragraph 4 – Protest of Specifications – Request for Changes. **If the selected Proposer will not agree to the OUS standard contract terms or if the OUS determines, in its sole discretion, that the selected Proposer will not agree to acceptable contract terms within a reasonable period of time, the OUS may cancel the selection and award the contract to the next highest ranking Proposer.**

16. Review for Responsiveness: Upon receipt of all Proposals, the OUS Director of Contracting and Purchasing or designee will determine the responsiveness of all Proposals before submitting them to the evaluation committee. If a Proposal is incomplete or unresponsive in part or in whole, it may be rejected and, if rejected, will not be submitted to the evaluation committee. The OUS reserves the right to determine if an inadvertent error is solely clerical or is a minor informality which may be waived when determining if an error is grounds for disqualifying a Proposal. The Proposer’s contact person identified in the Proposal will be notified by the OUS to communicate the reason(s) the Proposal is non-responsive. One copy of the Proposal will be archived.

17. Rejections and Withdrawals. The OUS reserves the right to reject any or all Proposals or to withdraw any item from the award.

18. RFP Incorporated into Contract. This RFP will become part of the final contract between the Board and the selected Proposer (also referred to herein as the “Contractor”). The Contractor will be bound to perform according to the terms of this RFP, its Proposal, and the terms of Exhibit A.

19. Communication Blackout Period. Except as called for in this RFP, Proposers may not communicate about this RFP with members of the evaluation committee or any employees of the OUS until the apparent successful Proposer is selected and all protests, if any, have been resolved. The contact person designated by the “General Information” section of this RFP is exempted from this blackout period. If any Proposer initiates or continues contact in violation of this provision, the OUS may, in its sole discretion, reject that Proposer’s Proposal and remove it from consideration for award of a contract under this RFP.

20. Prohibition on Commissions. The OUS will contract directly with organizations capable of performing the requirements of this RFP. Contractors must be represented directly. Participation by brokers or commissioned agents will not be allowed during the Proposal process.

21. Ownership of Proposals. All Proposals in response to this RFP are the sole property of the OUS and subject to the provisions of ORS 192.410-192.505 (the Public Records Act).

22. Clerical Errors in Awards. The OUS reserves the right to correct inaccurate awards resulting from its clerical errors.

23. Rejection of Qualified Proposals. Proposals may be rejected in whole or in part if they limit or modify any of the terms and conditions and/or specifications of the RFP. Any terms contained in Proposals that conflict with or modify the terms of this RFP and sample contract are expressly rejected unless specifically adopted in writing by the OUS.

24. Collusion. By responding, the Proposer states that the Proposal is not made in connection with any competing Proposer submitting a separate response to the RFP, and is, in all aspects, fair and without collusion or fraud.

25. Evaluation Committee: Proposals will be evaluated by a committee consisting of representatives from the OUS Chancellor’s Office and other interested parties, as appropriate. The committee may include representatives from the OUS campuses. The committee’s recommendations will be forwarded to the OUS Chancellor’s Office for final approval.

26. Commencement of Work: The contractor shall commence no work until all insurance requirements have been met and a contract has been fully executed.

27. Contract Award

OUS reserves the right to not award either contract if it is in the best interest of OUS to do so. Pursuant to OAR 580-061-0155, OUS reserves the right to select the Proposal that, in the collective opinion of the evaluation team, offers the best overall benefit, convenience, functionality and service at the best-value cost to OUS for the RFP. In the event that Proposals do vary significantly, OUS reserves the right to conduct follow-up discussions with all, or a select number, of Proposers.

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**SECTION VII.
FORM AND SAMPLE CONTRACT TERMS**

**BIDDER/PROPOSER
TAX LAWS AND NON-DISCRIMINATION CERTIFICATION
RFP #2013-09**

I, the undersigned, have read all of the terms and conditions of this Request for Proposals, and I understand that if awarded the contract, I and the firm represented herein shall be bound by its terms and conditions and representations made in this response. I certify that Proposals has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts.

Certified Minority, Women, and Emerging Small Business

For statistical purposes only, please indicate if your firm is an Oregon certified minority, women, or emerging small business: **DBE** **MBE** **WBE** **ESB**

Certificate of Compliance with Tax Laws

I, the undersigned,
(Check one)

- hereby certify under penalty of perjury as provided in ORS 305.385(6), that, I am not in violation of any of the tax laws described in ORS 305.380(4).
- hereby certify that I am authorized to act on behalf of the Contractor, and affirm, under penalty of perjury as provided in ORS 305.385(6), that, to the best of my knowledge, the Contractor is not in violation of any of the tax laws described in ORS 305.380(4).

For purposes of this certification, "tax laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323; the elderly rental assistance program under ORS 310.630 to 310.706; and local taxes administered by the Oregon Department of Revenue under ORS 305.620.

Business Designation (check one):

- | | |
|--|--|
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Governmental/Non-Profit |
| <input type="checkbox"/> Limited Partners | <input type="checkbox"/> Limited Liability Partnership |
| <input type="checkbox"/> Limited Liability Company | |

Tax Identification Number (Federal TIN): _____

Signature: _____ Date: _____

Name: _____ Title: _____

Firm: _____

Address: _____

City/State/Zip: _____ Phone: () _____

e-mail: _____ Fax: _____

Exhibit A – State Board of Higher Education Professional Services Contract

(The following terms and conditions will govern the contract entered into by the selected Proposer(s) and OUS. Do not submit a Proposal in response to either RFP if you are unable or unwilling to sign a contract including the following provisions.)

STATE BOARD OF HIGHER EDUCATION STANDARD PERSONAL/PROFESSIONAL SERVICES CONTRACT PROVISIONS

1. ACCESS TO RECORDS. Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred in the performance of this Contract. The Oregon Department of Higher Education, Oregon Secretary of State, and their duly authorized representatives shall have access to the books, documents, papers, and records of Contractor which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts. Such books and records shall be maintained by Contractor for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

2. AVAILABILITY OF FUNDS. Board certifies that sufficient funds are available and authorized for expenditure to finance costs of this Contract within its current biennial appropriation or expenditure limitation, provided, however, that continuation of this contract, or any extension, after the end of the fiscal period in which it is written, is contingent on a new appropriation or limitation for each succeeding fiscal period sufficient in amount, in the exercise of the Board's reasonable administrative discretion, to continue to make payments under this Contract.

3. CAPTIONS. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

4. COMPLIANCE WITH APPLICABLE LAW. Contractor shall comply with all federal, state, county, and local laws, ordinances, and regulations applicable to the work to be done under this Contract. Contractor specifically agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor shall also comply with the Americans with Disabilities Act of 1990 (Pub. L. No. 101-336), title VI of the civil Rights Act of 1964, Section V of the Rehabilitation Act of 1973, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws. Contractor further agrees to make payments promptly when due, to all persons supplying to such Contractor, labor or materials for the prosecution of the work provided in this Contract; pay all contributions or amounts due the Industrial Accident Funds from such Contractor responsibilities incurred in the performance of this Contract; not permit any lien or claim to be filed or prosecuted against the state on account of any labor or material furnished; pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. If Contractor fails or refuses to make any such payments required herein, the appropriate Board official may pay such claim. Any payment of a claim in the manner authorized in this section shall not relieve the Contractor or Contractor's surety from obligation with respect to unpaid claims. Contractor shall promptly pay any person or entity that furnishes medical care to Contractor's employees those sums which Contractor agreed to pay for such services and all money Contractor collected or deducted from employee's wages to provide such services.

5. DISCLOSURE OF SOCIAL SECURITY NUMBER. Contractor must provide Contractor's Social Security number unless Contractor provides a federal tax ID number. The number is requested pursuant to ORS 305.385 and OAR 150-305-100. Social Security numbers provided pursuant to this authority will be used for the administration of state, federal and local tax laws.

6. EXECUTION AND COUNTERPARTS. This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

7. GOVERNING LAW. This Contract shall be governed and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, or suit between Board

and Contractor that arises out of or relates to the performance of this Contract shall be brought and conducted solely and exclusively within the Circuit Court for Marion County, for the State of Oregon. Provided, however, that if any such claim, action, or suit may be brought in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR, BY EXECUTION OF THIS CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

8. HAZARD COMMUNICATION. Contractor shall notify Board prior to using products containing hazardous chemicals to which Board employees may be exposed. Products containing hazardous chemicals are those products defined by Oregon Administrative Rules, Chapter 437. Upon Board's request, Contractor shall immediately provide Material Safety Data Sheets for the products subject to this provision.

9. INDEMNITY, RESPONSIBILITY FOR DAMAGES. Contractor shall be responsible for all damage to property, injury to persons, and loss, expense, inconvenience, and delay which may be caused by, or result from the conduct of work under this Contract, or from any act, omission, or neglect of Contractor, its subcontractors, or employees. Contractor shall save, defend, indemnify, and hold harmless the State of Oregon, the State Board of Higher Education, their officers, agents, employees, and members from all claims, suits and actions of any nature resulting from or arising out of the activities or omissions of Contractor or its subcontractors, officers, agents, or employees acting under this Contract. Contractor shall have control of the defense and settlement thereof, but neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without first receiving from Board, authority to act as legal counsel for the State of Oregon, nor shall Contractor settle any claim on behalf of the State of Oregon without the approval of the Board. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event that the State of Oregon determines that Contractor is prohibited from defending the State of Oregon, is not adequately defending its interests, or that an important governmental principle is at issue and the State of Oregon desires to assume its own defense. Board reserves all rights to pursue any claims it may have against the Contractor if Board elects to assume its own defense. Provided, however, the provisions of this **Section 9** do not include indemnification by the Contractor of the Board for the Board's activities.

10. INDEPENDENT CONTRACTOR STATUS. The service(s) to be rendered under this Contract are those of an independent contractor. Although the Board reserves the right to determine (and modify) the delivery schedule for the Work to be performed and to evaluate the quality of the completed performance, Board cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the work. Contractor is not to be considered an agent or employee of Board for any purpose, and neither Contractor nor any of Contractor's agents or employees are entitled to any of the benefits that Board provides its employees. Contractor will be solely and entirely responsible for its acts and for the acts of its agents or employees during the performance of this Contract. If Contractor is providing personal services as an individual, Contractor: (1) Is engaged as an independent contractor and will be responsible for any Federal or State taxes applicable to this payment, (2) Will not be eligible for any Federal Social Security, State Worker's Compensation, unemployment insurance, or Public Employees Retirement System benefits from this Contract payment; (3) Is not an officer, employee, or agent of the State as these terms are used in ORS 30.265 and will not be under the direction and control of Board; (4) Is not currently employed by the Federal Government and the amount charged does not exceed the normal charge for the type of service provided if payment is to be charged against Federal funds and; (5) Must furnish Form 8233 in duplicate with this Contract if Contractor is a non-resident alien and claims exemption from Federal Withholding tax. The Board will report the total amount of all payments to Contractor, including any expenses, in accordance with Federal Internal Revenue Service and State of Oregon Department of Revenue regulations. (Also see Exhibit C.)

11. INSURANCE. Contractor shall provide insurance as indicated on Exhibit B, attached hereto and by this reference made a part hereof. Insurance policies, which cannot be excess to a self-insurance program, are to be issued by an insurance company authorized to do business in the State of Oregon. The State of Oregon, acting by and through the Board and their officers and employees shall be included as an additional insured in said insurance policy. If any of the liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of 24 months.

12. LIMITATION OF LIABILITIES. Except for liability arising under or related to sections 15(A) or 23(B), neither party shall be liable for (i) any indirect, incidental, consequential or special damages under this Contract or (ii) any damages of any sort arising solely from the termination of this Contract in accordance with its terms.

13. NOTICES. Except as otherwise expressly provided in this Contract, notices to be given hereunder shall be given in writing by personal delivery, facsimile, email, or mailing the same, postage prepaid, to Contractor or Board at the address or number set forth on the signature page of this Contract, or to such other addresses or numbers as either party may hereafter indicate. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any such communication or notice delivered by facsimile shall be deemed to be given when receipt of transmission is generated by the transmitting machine. To be effective against the Board, facsimile or email transmission must be confirmed by telephone notice to Board's supervising representative. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

14. OWNERSHIP OF WORK PRODUCT. All work product of Contractor that results from this Contract (the "Work Product") is the exclusive property of Board. Board and Contractor intend that such Work Product be deemed "work made for hire" of which Board shall be deemed the author. If for any reason the Work Product is not deemed "work made for hire", Contractor hereby irrevocably assigns to Board all of its right, title, and interest in and to any and all of the Work Product, whether arising from copyright, patent, trademark or trade secret, or any other state or federal intellectual property law or doctrine. Contractor shall execute such further documents and instruments as Board may reasonably request in order to fully vest such rights in Board. Contractor forever waives any and all rights relating to the Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

15. REPRESENTATIONS AND WARRANTIES. (A) Contractor's Representations and Warranties. Contractor represents and warrants to Board that (1) Contractor has the power and authority to enter into and perform this Contract, (2) this Contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms, (3) the Work under this Contract shall be performed in a good and workmanlike manner and in accordance with the highest professional standards, (4) Contractor shall at all times during the term of this Contract, be qualified, professionally competent, and duly licensed to perform the Work. (B) Warranties Cumulative. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

16. SURVIVAL. All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in the Section titled "Effective Date and Duration", and Sections 1, 7, 9, 12, 14, 15, 16, and 23.

17. SEVERABILITY. If any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

18. SUBCONTRACTS AND ASSIGNMENTS. Contractor shall not enter into any subcontracts for any of the work required by this Contract, or assign or transfer any of its interest in this Contract, without obtaining prior written approval from the Board. In addition to any provisions the Board may require, Contractor shall include in any permitted subcontract under this Contract a requirement that the subcontractor be bound by this section and Sections 1, 9, 14, and 27 as if the subcontractor were the Contractor. Board's consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract.

19. SUCCESSORS IN INTEREST. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.

20. TAX COMPLIANCE CERTIFICATION. Contractor hereby affirms, under penalty of perjury as provided in ORS 305.385(6), that, to the best of Contractor's knowledge, the Contractor is not in violation of any of the tax laws described in ORS 305.380(4). For purposes of this certification, "tax laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323; the elderly rental assistance program under ORS 310.630 to 310.706; and local taxes administered by the Oregon Department of Revenue under ORS 305.620.

21. TERMINATIONS. (A) This Contract may be terminated at any time by mutual consent of the parties or by Board at its discretion upon thirty (30) days' notice to the Contractor. (B) In addition, the Board may terminate this Contract effective upon delivery of notice to Contractor, or at such later date as may be established by the Board, if (i) Federal or state laws, rules, regulations or guidelines are modified, changed, or interpreted in such a way that either the work under this Contract is prohibited or Board is prohibited from paying for such work from the planned funding source; or (ii) Any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed. (C) This Contract may also be immediately terminated by Board for default (including breach of Contract) if (i) Contractor fails to provide services or materials called for by this Contract within the time specified herein or any extension thereof; or (ii) Contractor fails to perform any of the other provisions of this Contract or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms, and after receipt of notice from Board, fails to correct such failure within ten business days.

22. TERMINATION DUE TO NONAPPROPRIATION OF FUNDS. If sufficient funds are not provided in future legislatively approved budgets of Board (or from applicable Federal, state, or other sources or by allotment) to permit Board in the exercise of its reasonable administrative discretion to continue this Contract, or if Board or the program for which this Contract was executed is abolished, the Board may terminate this Contract without further liability by giving Contractor not less than thirty (30) days notice. In determining the availability of funds from the Oregon Legislature for this Contract, Board may use the budget adopted for it by the Joint Ways and Means Committee of the Oregon Legislative Assembly.

23. REMEDIES. (A) In the event of termination pursuant to Sections 21(A) and (B)(i) and 22, Contractor's sole remedy shall be a claim for the sum designated for accomplishing the work multiplied by the percentage of work completed and accepted by the Board, less previous amounts paid and any claim(s) which the Board has against Contractor. If previous amounts paid to Contractor exceed the amount due to Contractor under this subsection, Contractor shall pay any excess to Board on demand. (B) In the event of termination pursuant to Sections 21(B)(ii) or (C), Board shall have any remedy available to it in law or equity. If it is determined for any reason that Contractor was not in default under these subsections, the rights and obligations of the parties shall be the same as if the Contract was terminated pursuant to Section 21(A). (C) Upon receiving a notice of termination of this Contract, Contractor shall immediately cease all activities under this Contract, unless Board expressly directs otherwise in such notice of termination. Upon termination of this Contract, Contractor shall deliver to Board all documents, information, works-in-progress and other property that are or would be deliverables had the Contract work been completed. Upon Board's request, Contractor shall surrender to anyone Board designates, all documents, research or objects or other tangible things needed to complete the work.

24. NO THIRD PARTY BENEFICIARIES. Board and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

25. TIME IS OF THE ESSENCE. Contractor agrees that time is of the essence under this Contract.

26. FOREIGN CONTRACTOR. If the Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporate Division, all information required by those agencies relative to this Contract. The Contractor shall demonstrate its legal capacity to perform these services in the State of Oregon prior to entering into this Contract.

27. FORCE MAJEURE. Neither Board nor Contractor shall be held responsible for delay or default caused by fire, riot, acts of God, or war where such cause was beyond, respectively, Board's or Contractor's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of its obligations under this Contract.

28. WAIVER. The failure of Board to enforce any provision of this Contract shall not constitute a waiver by Board of that or any other provision.

29. RECYCLING. In the performance of this Contract the Contractor shall use, to the maximum extent economically feasible, recycled paper.

30. CONFLICT OF INTEREST. The Contractor shall not engage in any activity or accept any employment, interest, or contribution that would, or would reasonably appear to, directly or indirectly conflict in any manner or degree with the performance of its services hereunder without Board's prior written consent. Contractor will request Board's written consent through the methods provided in Section 13 of this Contract. If Board does not respond within 14 days of receipt of a request for written approval sent in accord with this section, Board will have waived their rights to such prior consent solely in regards to the matter for which they received notice but failed to respond.

31. ACCESS TO WORK PAPERS. Contractor shall provide OUS and/or PSU with commercially reasonable access to review all work papers related to, or arising from, the services contemplated in this Contract.

32. CONFIDENTIALITY. Contractor acknowledges that it and its employees, subcontractors or agents may, in the course of performing their responsibilities under this Contract, be exposed to or acquire Board's confidential information including but not limited to: reports, documents, software, and financial, statistical, personnel and other non-technical data ("Confidential Information"). With respect to Board's clearly designated Confidential Information which Contractor obtains for the purpose of fulfilling its responsibilities under this Contract, Contractor shall instruct its personnel to keep such information confidential by using the same care and discretion that Contractor uses with similar data which Contractor designates as confidential or proprietary. Confidential Information shall be deemed not to include information that (a) is publicly known or is contained in a publicly available document; (b) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Contract; (c) is obtained from a source other than Board without the obligation of confidentiality; (d) is disclosed with the written consent of Board; or (e) is independently developed by employees, subcontractors or agents of Contractor who can be shown to have had no access to the Confidential Information.

33. NON-DISCLOSURE. (A) Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties, (except when such disclosure is required by law, legal process, or applicable professional standards) or use Confidential Information for any purposes whatsoever other than the provision of services to Board hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor will use commercially reasonable efforts to assist Board in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, Contractor shall advise Board promptly in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and Contractor will at its expense reasonably cooperate with Board in seeking injunctive or other equitable relief in the name of Board or Contractor against any such person. Contractor agrees that, except as directed by Board, Contractor will not at any time during or after the term of this Contract disclose, directly or indirectly, any Confidential Information to any person, and that after proper records retention has been met as per Section 1, the Contractor will properly destroy all Confidential Information. Notwithstanding the foregoing, or anything to the contrary in this Contract, Contractor shall maintain Confidential Information in its workpapers (i) pursuant to its internal document retention policy; (ii) seven (7) years or such longer period as may be required by applicable law following Contract termination or full performance; or (iii) until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever ending is later. The Contractor shall have policies and procedures in place for properly destroying hardcopy and electronic confidential information. These policies and procedures shall be available to Board upon request and shall comply with the Federal standards for electronic media destruction as specified by the Federal Department of Security Services.

Destruction of confidential hardcopy documentation may include securely shredding hardcopy documents in-house or by obtaining the services of a bonded/certified destruction service.

(B) Personal Information. In the performance of the Contract, Contractor may possess or have access to documents, records or items that contain "Personal Information" as that term is used in ORS 646A.602(11), including Social Security numbers. Personal Information is a type of Confidential Information that is highly sensitive and subject to additional protection. Therefore, prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information, Contractor shall have in place a formal written information security program that provides safeguards to protect Personal Information from loss, theft, and disclosure to unauthorized persons, as required by the Oregon Consumer Identity Theft Protection Act, ORS 646A.600-646A.628. In addition, Contractor shall not breach or permit breach of the security of any Personal Information that is contained in any document, record, compilation of information or other item to which Contractor receives access, possession, custody or control under this Contract. Contractor shall not disclose, or otherwise permit access of any nature, to any unauthorized person, of any such Personal Information. Contractor shall not use, distribute or dispose of any Personal Information other than expressly permitted by Board, required by applicable law, or required by an order of a tribunal having competent jurisdiction. Contractor shall promptly report to Board any breach of security, use, disclosure, theft, loss, or other unauthorized access of any document, record, compilation of information or other item that contains Personal Information to which Contractor receives access, possession, custody or control in the performance of this Contract. Contractor shall require the compliance of its employees, subcontractors and agents with this section.

(C) Injunctive Relief. Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, or disclosure of other information that, at law or in equity, ought to remain confidential, will give rise to irreparable injury to Board that is inadequately compensable in damages. Accordingly, Board may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Board and are reasonable in scope and content.

(D) Publicity. Contractor agrees that news releases and other publicity relating to the subject of this Contract will be made only with the prior written consent of Board.

34. MERGER. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. NO AMENDMENT, CONSENT, OR WAIVER OF TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY ALL PARTIES AND ALL NECESSARY STATE APPROVALS HAVING BEEN OBTAINED. ANY SUCH AMENDMENT, CONSENT, OR WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. CONTRACTOR, BY THE SIGNATURE HERETO OF ITS AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES HAVING READ AND UNDERSTOOD THIS CONTRACT AND CONTRACTOR AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Certification: I, under penalties of perjury, do hereby certify that (a) the number shown on this form is my correct taxpayer ID (or I am waiting for the number to be issued to me), and (b) I am not subject to backup withholding because (i) I am exempt from backup withholding or (ii) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding.

I, the undersigned also (a) agree to perform the work required by Exhibit A in accordance with the terms and conditions; (b) certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; (c) certify that I am an independent contractor as defined in ORS 670.600; (d) certify that I am authorized to act on behalf of Contractor; (e) the statements contained in Exhibit C attached hereto are true

and correct; and (f) understand that the Board has adopted policies applicable to contractors that prohibit sexual harassment and accept that my company and its employees are required to adhere to the Chancellor's Office and/or institution's policy prohibiting sexual harassment in their interactions with members of the Oregon University System community.

EXHIBIT A
PROFESSIONAL SERVICES CONTRACT
Contract #

1. SCOPE OF WORK

Services must be performed in conformance with nationally recognized auditing or advisory standards including but not limited to those promulgated by the American Institute of Certified Public Accountants, General Accountability Office, or the *International Institute of Internal Auditors*.

Contractor shall review five open high risk and high visibility Federal grants or appropriations. PSU will select two grants for specific testing and provide all necessary information and records that are likely to be the subject of future A-133 audits and Inspector General close-out audits. In addition, the contractor shall select a sample of transactions in accordance with A-133 standard methodology.

The review shall include an assessment of internal controls, general compliance and agency specific compliance requirements over grants selected in accordance with most current OMB Circular A-133 Compliance Supplement with specific focus on the following types of compliance requirements:

1. Activities allowed or unallowed (sample selected for testing shall include procurement card, direct charge, travel and cost transfer transactions);
2. Allowable costs/costs principles (sample selected for testing shall include procurement card, direct charge, travel and cost transfer transactions);
3. Equipment and real property management;
4. Matching, level of effort and earmarking;
5. Period of availability of Federal funds;
6. Reporting;
7. Sub-recipient monitoring; and
8. Special tests and provisions.

Observations should include, but not be limited to, identifying the following:

1. Potential control deficiencies;
2. Areas where compliance practices can be improved;
3. Best practices for monitoring and auditing research compliance; and
4. Potential exposure to non-compliance on future grants.

2. DELIVERABLES

A. During the course of the engagement, Contractor will be required to conduct an:

1. Entrance meeting at the beginning of fieldwork (may be conducted remotely).
2. Update meeting for relevant IAD and Research Office personnel prior to leaving the site at the close of fieldwork.
3. Additional update meetings and an exit meeting (as requested by IAD). The date, time, and frequency of such meetings will be determined by IAD based on the progress of Contractor's Services (may be conducted remotely if appropriate).

- B. Contractor will be required to prepare a management report (“Report”). Report format shall be discussed with and approved by the Chief Audit Executive before the Report is drafted. The Report shall:
1. Be addressed to Patricia Snopkowski, Chief Audit Executive, Oregon University System. Copies shall also be addressed to the following PSU personnel: Jonathan Fink, Vice President for Research; and Monica Rimai, Vice President for Finance and Administration.
 2. Provide observations on the reviewed grants and appropriations as required in this Scope of Work. Observations are to include the condition observed, criteria governing the condition, cause of the condition, effect of the condition, and recommended corrective action.
- C. Contractor must provide the final copy of the Report to IAD not later than 4 p.m. Pacific Standard Time on May 1, 2014. IAD will review the Report, and may make comments. The Contractor shall complete any additional work required by IAD’s comments within ten business days of receiving such comments.

3. TERM

The contract with the Contractor is expected to begin in **January 2014** and extend to **May 15, 2014**. OUS reserves the right to terminate any contract awarded through this RFP upon 30 days notice.

4. PAYMENT

Contractor shall submit invoices to the OUS for its services performed in the preceding month. Payment of Contractor invoices by OUS is normally made within 30-45 days of receipt of complete and accurate invoices. Contractor terms may not require payment in less than 30 days after receipt of invoice by OUS. Any late payment or delinquency fees shall be in accordance with ORS 293.462.

5. TRAVEL

OUS will not reimburse for travel expenses. Proposers should include expected travel costs (if any) in the Pricing section of their Proposal.

**EXHIBIT B
INSURANCE**

During the term of this Contract, Contractor shall maintain in full force at its own expense, each insurance noted below:

1. Required by Board of Contractor with one or more workers, as defined by ORS 656.027.

Contractor, its subcontractors, if any, and all employers providing work, labor, or materials under this Contract are subject employers under the Oregon Workers' Compensation Law, and shall either comply with ORS 656.017, which requires said employers to provide workers' compensation coverage that satisfies Oregon law for all their subject workers, or shall comply with the exemption set out in ORS 656.126.

2. Required by Board Not required by Board.

Professional Liability/Errors & Omissions insurance with a combined single limit, or the equivalent, of not less than **\$2,000,000** for each claim, incident or occurrence. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this Contract.

3. Required by Board Not required by Board.

General Liability insurance with a combined single limit, or the equivalent, of not less than **\$1,000,000** for each occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this Contract. It shall provide that the State of Oregon, Board and divisions, officers, and employees are Additional Insureds but only with respect to the Contractor's services to be provided under this Contract.

4. Required by Board Not required by Board.

Automobile Liability insurance with a combined single limit, or the equivalent, of not less than **Oregon Financial Responsibility Law (ORS 806.060)** for each accident for Bodily Injury and Property Damage, including coverage for owned, hired vehicles, as applicable.

5. Certificates of Insurance. As evidence of the General Liability and Automobile Liability insurance coverage required by this Contract, the Contractor shall furnish an endorsement from the insurance company naming the State of Oregon, the State Board of Higher Education, the Oregon University System, and their officers, employees and members as additional insureds with respect to the work of this Contract. Insuring companies or entities are subject to State acceptance. If requested, complete copies of insurance policies, trust agreements, etc. shall be provided to the State. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions and/or self-insurance.

6. Notice of cancellation or change. There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Contractor or its insurer(s) to Board at the following address: OUS Director of Contracting and Purchasing, P.O. Box 751, Mail CHAN, Portland OR 97207-0751.

EXHIBIT C
CERTIFICATION STATEMENT FOR INDEPENDENT CONTRACTOR

(All Contractors must complete unless they are registered as a corporation or a Professional Corporation)

Oregon Revised Statute (ORS) 670.600 provides a standard definition of “independent contractor” to be used by certain Oregon agencies. OUS will rely on the factors provided in ORS 670.600 to verify Contractor’s independent contractor status.

To be considered an “independent contractor”, Contractor must:

1. Be licensed or certified to provide the services contemplated in this Contract (if required). If Contractor provides services for which a license is required under ORS Chapter 671 (Architects/Landscape Architects) or 701 (Construction Contractors) they must be licensed and certified as required in ORS Chapters 671 or 701.
2. Provide services for remuneration and be free from direction and control over the means and manner of providing its services and be engaged in an “independently established business”.
3. Contractor is considered to be engaged in an “independently established business” if three of the following requirements are met (check all that apply):
 - A. The labor or services are primarily carried out at a location that is separate from Contractor’s residence or is primarily carried out in a specific portion of Contractor’s residence, which is set aside as the location of the business.
 - B. Contractor assumes financial responsibility for defective workmanship related to the business or services (as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the services to be provided).
 - C. Contractor has provided contract services for two or more different people in the last 12 month period.
 - D. Contractor routinely engages in business advertising, solicitations, or other marketing efforts.
 - E. Contractor makes a significant investment in the business (as evidenced by purchasing tools and/or equipment, paying for the premises or facilities where services are provided, or paying for all required licenses and/or certificates).
 - F. Contractor has the authority to hire other persons to provide or assist in providing the services (and has the authority to fire those persons).

Contractor Signature _____ Date _____