

REQUEST FOR PROPOSAL
FOR PROFESSIONAL AUDITING SERVICES

RFP No. 4150-19-001



ARCHULETA COUNTY
PAGOSA SPRINGS, CO
BOARD OF COUNTY COMMISSIONERS

Response Deadline: **November 4th, 2019**

Submit Responses to:

Larry Walton
Finance Director
398 Lewis Street
Pagosa Springs, CO 81147

E-Mail: lwalton@archuletacounty.org

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A. INTRODUCTION

Invitation

The Archuleta County, Colorado Board of County Commissioners (“County”) invites qualified firms of certified public accountants (“Respondent”), to audit Archuleta County’s financial statements for three fiscal years ending December 31, 2019; December 31, 2020; and December 31, 2021; with the option of extending for two additional fiscal years ending December 31, 2022 and December 31, 2023.

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

To be considered, one (1) unbound original and two (2) bound copies of the proposal (marked “PROPOSAL FOR PROFESSIONAL AUDITING SERVICES”), must be received by Larry Walton, Finance Director at 398 Lewis Street, Pagosa Springs, Colorado 81147 not later than November 4th, 2019.

For a copy of the full Request for Proposal, which includes all related instructions and requirements, contact Larry Walton, Finance Director by email: lwalton@archuletacounty.org. Interested firms are encouraged to download the Request for Proposal from the County website at URL: <http://www.archuletacounty.org/bids.aspx> and to sign up to receive automatic notification of any addendum issued, or changes in the status of this proposal opportunity on the County’s “Notify Me” page at URL: <http://www.archuletacounty.org/list.aspx?Mode=Subscribe#bids>

Term of Engagement

A three (3) year commitment, with an option to extend for two (2) additional years is contemplated; subject to an annual County review including the satisfactory negotiation of terms (including a price acceptable to both the County and the Respondent) and to sufficient funds being budgeted and appropriated. The two (2) year extension would (additionally) require the concurrence of the Board of County Commissioners.

B. NATURE OF SERVICES REQUIRED

Scope of Work

The County desires the auditor to express an opinion on the fair presentation of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Archuleta County, Colorado which collectively comprise the County's basic financial statements. The auditor will also assist the County in preparation of the draft financial statements and required supplementary schedules (but not including the SEFA schedule).

Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments; ***and as they may be amended from time to time.***

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements
3. A report on compliance and internal control over compliance applicable to each major federal program.

In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the

report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls.

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

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indication of illegal acts, of which they become aware to the Board of County Commissioners.

Additional Information

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are also to be issued. These may be included as part of the annual financial report, or appear in a separate report.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the County of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Archuleta County
2. U.S. General Accounting Office (GAO)
3. Parties designated by the federal or state governments or by the County as part of an audit quality review process
4. Auditors of entities of which the County is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

C. DESCRIPTION OF THE COUNTY

Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

The auditor's principal contact with the County will be the Finance Director, or a designated representative, who will coordinate the assistance to be provided by the County to the auditor.

An organizational chart (Appendix C) and a list of personnel with the location of their principal offices (Appendix D) are attached.

Background Information

The County serves an area of 1,355 square miles with a population of 13,953 (2020 projected). The County's fiscal year begins on January 1 and ends on December 31.

The County provides the following services to its citizens:

- General Government
- Public Safety
- Health & Welfare
- Judicial & Legal
- Recreation & Culture
- Highways & Streets

The County has a total payroll of about \$11,089,000, including benefits, covering 165 Full Time Equivalent (FTE) employees.

The County is organized into 11 funds, which collectively contain 102 departments or cost centers. The accounting and financial reporting functions of the County are centralized. More detailed information on the County and its finances can be found on the County website, as follows:

Budget: <http://www.archuletacounty.org/212/Budgets>

Audited Financials: <http://www.archuletacounty.org/211/Audited-Financial-Statements>

Fund Structure

The County uses the following fund types and account groups in its financial reporting:

	Fund Type	Number of Individual Funds	Number with Legally Adopted Annual Budget
1.	General	One (1)	Two (2)
2.	Special Revenue Funds	Four (4)	Four (4)
3.	Capital Service Funds	Two (2)	Two (2)
4.	Enterprise Funds	Two (2)	Two (2)
5.	Internal Service Funds	One (1)	One (1)
6.	Agency Funds	One (1)	N/A

Notes: (1) General, and 1A Fund-Budgeted (2) Road & Bridge, DHS, Dispatch and Conservation Trust Fund (3) Fairfield Settlement, Justice System Capital (4) Solid Waste and Airport (5) Fleet (6) Fiduciary

Budgetary Basis of Accounting

County budgets for major governmental fund types (General and Special Revenue funds) are adopted on a basis consistent with Generally Accepted Accounting Principles.

Federal and State Awards

During the 2018 fiscal year, the County received the following:

Federal Award – Title	CFDA Number	Amount
Supplemental Nutrition Assistance Program	10.561	\$109,791
Secure Payments for States and Counties Passed to Sub-recipients: Title I	10.665	\$233,788
Noxious Weed Control	10.699	\$7,000

Law Enforcement Agreements	10.704	\$2,685
Payments in Lieu of Taxes	15.226	\$1,162,649
Minerals Leasing Act	15.437	\$14,034
Guardianship Assistance	93.090	\$1,060
Promoting Safe and Stable Families	93.556	\$5,839
Temporary Assistance for Needy Families	93.558	\$282,106
Child Support Enforcement	93.563	\$122,355
Low-Income Home Energy Assistance	93.568	\$1,707
Child Care and Development Block Grant	93.575	\$71,683
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	\$16,370
Adoption and Legal Guardianship Incentive Payments	93.603	\$901
Child Welfare Services Program	93.645	\$428
Foster Care – Title IV-E	93.658	\$118,387
Adoption Assistance	93.659	\$26,147
Social Services Block Grant	93.667	\$51,073
Medical Assistance Program	93.778	\$117,354

Emergency Management Performance Grant	97.042	\$32,016
Pre-Disaster Mitigation Grant	97.047	\$7,269
State Criminal Alien Assistance	16.606	\$32,016
Bulletproof Vest Partnership Program	16.607	\$4,237
Formula Grants for Rural Areas	20.509	\$85,140
TOTAL		\$2,506,035

State (or Other Non-Federal) Grant Title	Amount
Veterans Mental Health & Emergency Services	\$25,760
Court Security Grant – Regular	\$66,800
Court Security Grant – Emergency	\$18,440
State Noxious Weed Fund Grant	\$4,215
Transportation Assistance	\$34,461
TOTAL	\$149,676

Component Units

The County does not have any component units.

Magnitude of Finance Operations

The finance department is headed by the Finance Director and consists of 5 employees. The principal functions performed and the number of employees assigned to each, are as follows:

<u>Function</u>	<u>No. of Employees</u>
Management	1
General Accounting	1
Human Services Accounting	1
A/P & Payroll	1
Bookkeeping	1

Computer Systems

Most employees have access to standard workstations, networked together. Important files are stored on shared drives, segregated by department, with access limited according to need and security concerns. The equipment used is typically standard computer workstations, usually of Dell equipment.

Software

Financial management software is provided by Tyler Technologies, via a variety of Incode “modules”, including: General Ledger, Accounts Payable, Payroll, Purchase Orders, Time Entry, Fixed Assets, etc...

Tyler Technologies also supplies a variety of Eagle “modules” for use by the Treasurer and Assessor Departments, including: Treasurer Services, Personal Property, Protest Tracking, Oil & Gas, etc...

The Road & Bridge Department uses a job costing software to determine and track the use of their resources by individual jobs.

Availability of Prior Audit Reports

Interested proposers who wish to review prior years’ audit reports can find them on the County website at: <http://www.archuletacounty.org/index.aspx?nid=211>.

D. TIME REQUIREMENTS

Proposal Calendar

The following is a list of key dates related to this procurement action:

Oct. 14, 2019:	Request for Proposal Issued
Nov. 4, 2019:	Proposals Due
Nov. 19, 2019:	(Anticipated) Award by Board of County Commissioners
January 1, 2020:	Effective Date of Contract

Date Audit May Commence

The County typically begins providing documentation to our auditors in mid-April and has all records ready for audit and all management personnel available to meet with the firm's personnel by early June, following the year to be audited.

Schedule for the 2019 Fiscal Year Audit

(A similar time schedule will be developed for audits of future fiscal years if the County exercises its option for additional audits).

Each of the following should be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan

The auditor shall provide the County by March 15, 2020, both an audit plan and a detailed list (PBC-Prepared by Client list) of all schedules and documents to be prepared by the County.

2. Provision of Schedules and Documents

The County will begin (electronically) providing the auditor with requested schedules and documents in mid-April, submitting everything needed for fieldwork, prior the arrival of audit staff.

3. Fieldwork

The auditor will begin fieldwork in early June and complete the same by the end of the third week of June, 2020.

4. Draft Reports

The auditor shall provide all recommendations, revisions, proposed adjusting entries (if any), etc... for review by the Finance Director no later than June 30, 2020. Draft financial statements shall be prepared by the auditor within a week of receiving the County's responses. The Finance Director will complete the review of all the material as expeditiously as possible. It is not expected that this process should exceed two weeks. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports

5. Final Report

Once all issues for discussion are resolved, and both the auditor and the County have completed their reviews and corrections, the Final Report should be issued, not later than July 25, 2020. Submission to the Federal Clearinghouse shall follow within 24 hours. ***There will be no exceptions to this deadline.***

The final report, one (1) electronic and fifteen (15) signed copies should be delivered to the Finance Director at PO box 1507, 398 Lewis Street, Pagosa Springs, CO 81147.

E. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

Finance Department

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations

Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor.

F. PROPOSAL REQUIREMENTS

Proposal Submittal

In order to be considered for selection, Respondents must submit a complete response to this RFP. One (1) unbound original and two (2) bound copies of the proposal must be ***received*** by the Finance Director at the address below by no later than Nov. 4, 2019. Proposals must be submitted in a sealed

box or envelope marked as "PROPOSAL FOR PROFESSIONAL AUDITING SERVICES". All proposals must be delivered via UPS, Fed-Ex, or comparable hand delivery. Mailed, emailed and faxed proposals will not be accepted. Late submittals will not be accepted and will be mailed back to the Respondent unopened.

UPS, Fed-Ex or hand delivered proposals shall be addressed to:

Larry Walton
Finance Director
Archuleta County
398 Lewis Street
Pagosa Springs, CO 81147

Archuleta County reserves the right to reject any and all Proposals, in part or in whole, and to award to the most responsive and responsible firm(s) as deemed in the best interests of the County; further, the right is reserved to waive any formalities or informalities contained in said proposals. All proposals and copies thereof are to be prepared and submitted at the submitter's expense, and upon submittal to the County, ***will become a County record and therefore a public record.***

Inquiries

Inquiries concerning this Request for Proposal, must be made in writing (using email) to:

Larry Walton, Finance Director
lwalton@archuletacounty.org

Except for trivial process questions, answers to all questions, inquiries, or requests for additional information will be issued in the form of Addenda. The County will not be responsible for the authenticity or correctness of oral interpretations of this Request for Proposal or for information obtained in any other manner than through the media of addenda. Respondents in their proposals shall acknowledge receipt of each Addendum, and each Addendum shall be considered a part of the contract documents. Failure to acknowledge receipt of an Addendum issued may invalidate a proposal as incomplete. Questions must be received no later than the close of business 7 days prior to the Proposal Due Date.

Required Proposal Format

The following elements are required of each Respondent's proposal. Failure to provide the material listed, per the instructions provided and in the format indicated, may (at the discretion of the County) invalidate the proposal.

1. Transmittal Letter
2. Detailed **Technical** Proposal
3. SEALED **Dollar Cost Bid** Proposal. (Appendix E)

Instructions for each element are as follows:

1. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 120 days.

2. Detailed Technical Proposal

a. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the County in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. b through j, must be included. They represent the criteria against which the proposal will be evaluated.

b. Independence

The firm should provide an affirmative statement that is independent of the County as defined by the U.S. General Accounting Office's Government Auditing Standards (1994).

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the County or any of its agencies or component units for the past five (5)

years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the County written notice of any professional relationships entered into during the period of this agreement.

c. License to Practice in Colorado

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Colorado.

d. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

e. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Colorado. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the County's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the County. However, in either case, the County retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the County, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

f. Prior Engagements with the County

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the County by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

g. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

h. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as County's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Responders are required to provide the following information on their audit approach:

- i. Proposed segmentation of the engagement
- ii. Level of staff and number of hours to be assigned to each proposed segment of the engagement

Note: NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- iii. Sample size and the extent to which statistical sampling is to be used in the engagement
- iv. Extent of use of EDP software in the engagement
- v. Type and extent of analytical procedures to be used in the engagement
- vi. Approach to be taken to gain and document an understanding of the County's internal control structure
- vii. Approach to be taken in determining laws and regulations that will be subject to audit test work
- viii. Approach to be taken in drawing audit samples for purposes of tests of compliance

i. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the County.

j. Report Format

The proposal should include sample formats for required reports.

3. SEALED Dollar Cost Bid Proposal

Sealed Separately

The dollar cost bid proposal should be sealed in an envelope, separate from the rest of the proposal, and marked "Dollar Cost Bid Proposal". Only one (1) copy need be included in the submission.

Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the County.
- c. A Total All-Inclusive Maximum Price for the 2019 audit engagement.

Rates by Partner, Specialist, Supervisory and Staff Level (times) Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix E) that supports the total all-inclusive maximum price.

Out of Pocket Expenses Included in the Total All-Inclusive Maximum Price

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates established and maintained by the GSA (General Services Administration) on their website. At the time this RFP was issued, those could be found at:

Mileage Reimbursement Rates: <http://www.gsa.gov/portal/content/100715>

Per Diem Rates for Colorado: <http://www.gsa.gov/portal/category/100120>

All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

Rates for Additional Professional Services

If it should become necessary for the County to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the County and the firm. Any such additional work agreed to between the County and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

G. EVALUATION OF PROPOSALS

Review of Proposals

The Review Committee will use a point formula during the review process to score proposals. Each member of the Review Committee will first score each technical proposal by each of the criteria described below. The Review Committee members will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The County reserves the right to retain all proposals submitted.

Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

Mandatory Elements

1. The audit firm is independent and licensed to practice in Colorado.
2. The firm has no conflict of interest with regard to any other work performed by the firm for the County.
3. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
4. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

Technical Quality

1. Expertise and Experience
 - a. The firm's past experience and performance on comparable government engagements.

- b. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

2. Audit Approach

- a. Adequacy of proposed staffing plan for various segments of the engagement.
- b. Adequacy of sampling techniques.
- c. Adequacy of analytical procedures.

Price

While cost is relevant to the evaluation and will be scored like the other criteria, please note that cost is not the PRIMARY factor in the selection of an audit firm. Unlike a straight bid, the low bid does not automatically win.

Oral Presentations

During the evaluation process, the Review Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Review Committee may have on a firm's proposal.

Final Selection

The Board of County Commissioners will select a firm based upon the recommendation of the Review Committee.

It is anticipated that a firm will be selected by Nov. 19, 2019. Following notification of the firm selected, it is expected a contract will be executed between both parties on or before January 1, 2020.

H. OTHER

Insurance Requirements

See the sample "Public Contract for Services", in Appendix F.

General Terms and Conditions

Proposals must remain valid for at least ninety (90) days. Moreover, the contents of the Respondents proposal (along with this RFP and any mutually agreed, written amendments) will become contractual obligations if the proposal is accepted by the County.

See the sample “Public Contract for Services” in Appendix F for additional information.

Method of Payment

See Invoicing Procedures in the sample “Public Contract for Services”, in Appendix F.

Archuleta County is a public entity. ***Nothing in this document waives the Colorado Governmental Immunity Act. All funding obligations beyond the current fiscal year are subject to the funds being budgeted and appropriated.***

J. APPENDICES

- A. Answers to Anticipated Questions
- B. 2018 Single Audit
- C. Organizational Chart
- D. List of Officials, Office Locations and Contact Info
- E. Schedule of Professional Fees and Expenses
- F. Sample Contract

Appendix A

The County anticipates the following questions and hereby provides answers to the same:

Question: What were the typical audit fees paid annually to your previous auditor?

Answer: For the audit of the financial statements of the County \$52,500. For assistance with the preparation of the financial statements of the County \$5,000. Other amounts were paid on the occasion of special circumstances, such as for the audit of additional major programs (related to the Single Audit), or to make material changes to the schedule.

Question: Any significant events or transactions in 2019 that are different/new/unusual that could materially impact our audit approach (with the presumption that we are examining the 2018 financial statements to build our audit approach)?

Answer: The County obtained COP financing for the construction of a new Detention Center during 2019. The County has not previously obtained COP financing.

Question: Can you please identify any changes to key personnel in the last year?

Answer: During 2019, the County hired new staff in the following key positions: County Administrator, County Attorney, County Planner. Also, two elected positions changed in 2019, being the County Treasurer and County Clerk. There has been no turnover in the Finance Department.

Question: Have you had any experience of fraud in the last three years?

Answer: During 2017, the County became aware of improprieties related to the management of the Weed & Pest Department. After some preliminary investigation by senior staff, including the Finance Director, the matter was turned over to law enforcement personnel. Eventually, the District Attorney brought charges against a former (retired) County employee. A trial was scheduled, then delayed. A status hearing will be held in November 2019. Also during 2017, the County came to suspect improprieties in the handling of contributed equipment and materials under something known as the 1033 Program. This matter was turned over (first) to the Inspector General's Office of the Department of Defense and (later) to the Colorado Bureau of Investigation, who reported their findings to the District Attorney. The CBI report detailed some questionable actions but found that no crimes had been committed. The District Attorney stated that no charges would be made.

Question: Do you have any disagreements with your current auditor?

Answer: We enjoy a professional relationship with our current auditor and there were no disagreements with any material bearing on our financial statements.

Question: Can you tell us how many audit staff and how many days the auditors worked on site during preliminary work and field work?

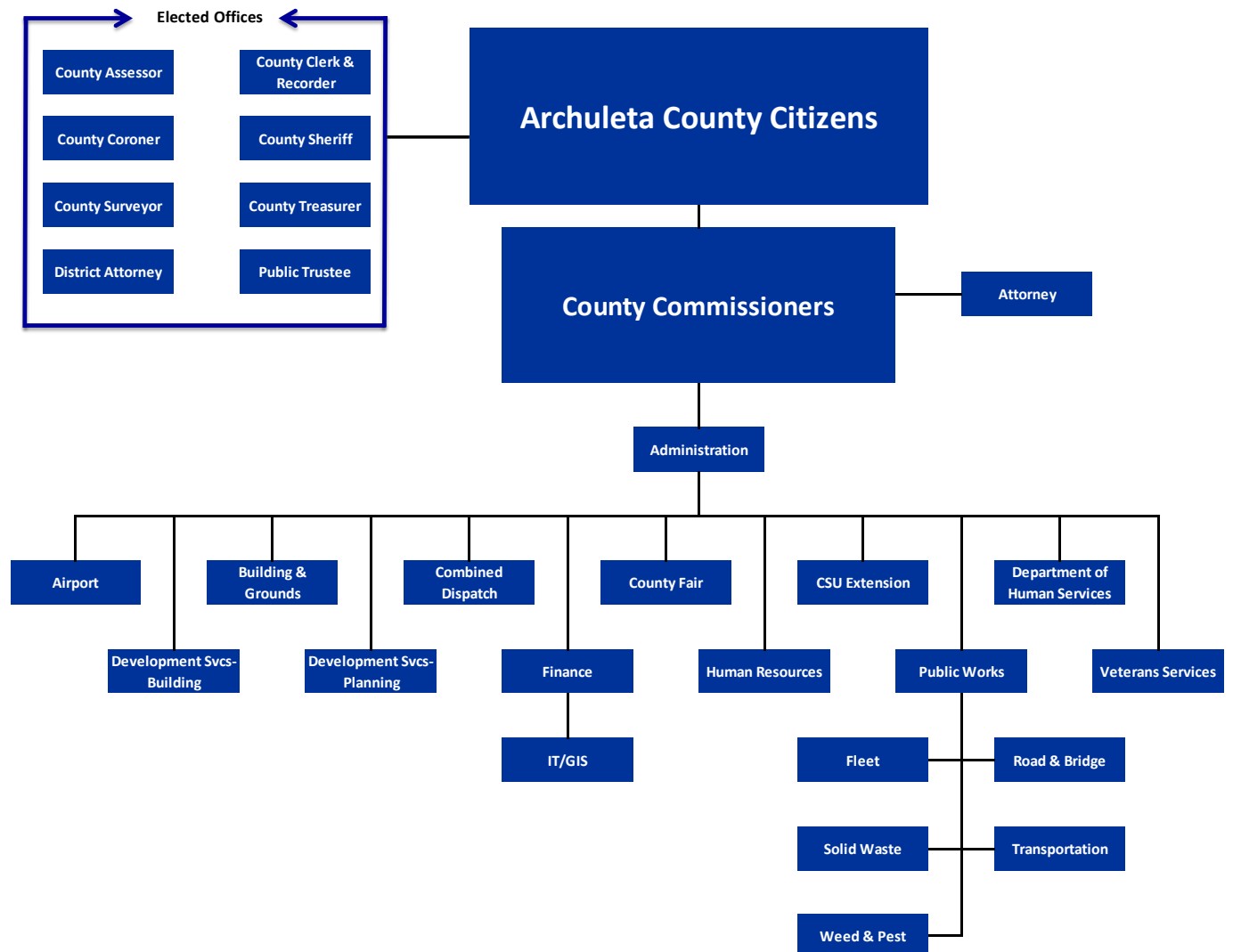
Answer: We believe that our previous auditor only sent staff to our offices for preliminary work during the first year of their engagement. We are not sure how many staff came or for how long, but our estimate is 2 or 3 staff visited our offices, interviewing County staff, and collecting information, over 3 or 4 days. In the first two years of their engagement, approximately 3 or 4 staff were physically present to perform field work for 8 to 9 work days. In the final years of their engagement, most work was done remotely and 3 to 4 audit staff were physically present for field work, for only 4 or 5 days a year.

Appendix B

The 2017 and 2018 Single Audit Reports were both drafted, but not finalized at the time this RFP was prepared. The draft 2017 Single Audit Report contains a material weakness finding related to 1033 Program. The 2018 Single Audit Report cannot be issued until after the 2017 Single Audit Report. That report was significantly delayed originally at the request of investigators. The final report for 2017 is expected soon, and the 2018 report should follow quickly thereafter.

Appendix C

Archuleta County is a statutory County located in southwest Colorado that was created on April 14, 1885. It is one of 64 counties created by the State of Colorado. Archuleta County is governed by three County Commissioners. Commissioners are elected at-large from three geographic districts and must reside in the district for which he or she is elected; County Commissioners serve four-year terms. In addition to the County Commissioners there are also six other elected officials – Assessor, Clerk and Recorder, Coroner, Sheriff, Surveyor and Treasurer. The County Treasurer is also the Public Trustee. Pagosa Springs is the county seat in Archuleta County and is the only incorporated municipality in the County.



Appendix D

List of officials, locations and phone numbers.

Officials	Office Locations	Contact Info
County Administrator (Scott Wall)	398 Lewis Street, Pagosa Springs CO	swall@archuletacounty.org
County Assessor (Natalie Woodruff)	449 Lewis Street, Pagosa Springs CO	assessor@archuletacounty.org
County Attorney (Todd Weaver)	398 Lewis Street, Pagosa Springs CO	tweaver@archuletacounty.org
County Clerk (Kristy Archuleta)	449 Lewis Street, Pagosa Springs CO	karchuleta@archuletacounty.org
County Commissioners (Ronnie Maez, Steve Wadley, Alvin Schaaf)	398 Lewis Street, Pagosa Springs CO	rmaez@archuletacounty.org , swadley@archuletacounty.org , aschaaf@archuletacounty.org
County Treasurer (Elsa White)	449 Lewis Street, Pagosa Springs CO	ewhite@archuletacounty.org
Finance Director (Larry Walton)	398 Lewis Street, Pagosa Springs CO	lwalton@archuletacounty.org
Human Resources (Robert Smith)	449 Lewis Street, Pagosa Springs CO	rsmith@archuletacounty.org
Public Works (Robert Perry)	1122 Hwy 84 S., Pagosa Springs, CO	rperry@archuletacounty.org
Sheriff/Undersheriff (Rich Valdez, James Woodman)	777 Piedra Road, Pagosa Springs, CO	rvaldez@archuletacounty.org , jwoodman@archuletacounty.org

APPENDIX E

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2019 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners			
Managers			
Supervisory staff			
Staff			
Other (specify):			
Subtotal			
Out-of-pocket expenses:			
Meals and lodging			
Transportation			
Other (specify): _____			
Total all-inclusive maximum price for [YEAR] audit			

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX F

PUBLIC CONTRACT FOR SERVICES

THIS PUBLIC CONTRACT FOR SERVICES (the "Contract") is made and entered into this _____ day of _____ 20_____, by and between the BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, STATE OF COLORADO (the "County"), and _____ [name of business or person], a _____ [corporation, LLC, sole proprietorship, individual] authorized to do business in Colorado (the "Contractor").

RECITALS

WHEREAS, the County is undertaking certain activities regarding [describe project]; and,

WHEREAS, the County desires to engage the Contractor to render certain professional services and assistance in connection with such undertakings of the County; and,

WHEREAS, the Contractor has the ability to assist the County through its professional expertise, knowledge, and experience and is ready, willing and able to provide such services, subject to the conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the parties agree as follows:

1. **LINE OF AUTHORITY:** _____, is designated as Authorized Representative of the County for the purpose of administering, coordinating and approving the work performed by the Contractor under this Contract.
2. **SCOPE OF SERVICES:** All services described in RFP No. 4150-19-001, attached hereto and incorporated herein, shall be performed by Contractor.
 - a. The County may, from time to time, request changes to the scope of services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon between the County and Contractor, shall be in writing and shall become part of this Contract upon execution.
 - b. The Contractor agrees to diligently and professionally perform all the services described herein in a manner satisfactory to the Authorized Representative. It is also understood and agreed that the Contractor shall not, in performing services hereunder, undertake any action or activity prohibited by the terms of any lease, permit, license or other agreement in effect during the term hereof between the Contractor and the County for the use and occupancy by the Contractor of any County facilities or space.

3. **COMPENSATION:** Subject to the maximum contract liability and all other provisions of this Contract, the County agrees to pay to the Contractor, and the Contractor agrees to accept payment as described in Exhibit B, attached hereto and incorporated herein, during the term hereof, in accordance with the terms set forth herein.
4. **MAXIMUM CONTRACT EXPENDITURE:** Any other provision of this Contract notwithstanding and pursuant to Section 29-1-110, C.R.S., the amount of funds appropriated for this Contract is _____ Dollars (\$_____.00) through FY20_____. In no event shall the County be liable for payment under this Contract for any amount in excess thereof. The County is not under obligation to make any future apportionment or allocation to this Contract nor is anything set forth herein a limitation of liability for Contractor. Any potential expenditure for this Contract outside the current fiscal year, which have not yet been appropriated, are subject to future annual appropriation of funds for any such proposed expenditure.
5. **TERM:** It is mutually agreed by the parties that the term of this Contract shall commence as of _____ [time] on _____ [date] and terminate at _____ [time] on _____ [date]. This Contract and/or any extension of its original term shall be contingent upon annual funding being appropriated, budgeted and otherwise made available for such purposes and subject to the County's satisfaction with all products and services received during the preceding term.
6. **INVOICING PROCEDURES:** Payments shall be made to the Contractor based upon invoices submitted by the Contractor, provided such invoices have been approved by the Authorized Representative. Payments will be made to the Contractor within thirty (30) days, or within a mutually agreed upon period after County has received complete invoices from the Contractor. The County reserves the right to require such additional documentation, including monthly activity reports detailing the Contractor's activities and services rendered, as the County deems appropriate to support the payments to the Contractor. The signature of an officer of the Contractor shall appear on all invoices certifying that the invoice has been examined and found to be correct.
7. **CONFLICT OF INTEREST:** The Contractor agrees that no official, officer or employee of the County shall have any personal or beneficial interest whatsoever in the services or property described herein, and the Contractor further agrees not to hire, pay, or contract for services of any official, officer or employee of the County. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interest of any party with whom the Contractor has a contractual arrangement, in conflict with those of County.
8. **INDEMNIFICATION-GENERAL:** The County cannot and by this Contract does not agree to indemnify, hold harmless, exonerate or assume the defense of the Contractor or any other person or entity whatsoever, for any purpose whatsoever. Provided that the claims, demands, suits, actions or proceedings of any kind are not the result of

professional negligence, the Contractor shall defend, indemnify and hold harmless the County, its commissioners, officials, officers, directors, agents and employees from any and all claims, demands, suits, actions or proceedings of any kind or nature whatsoever, including Workers Compensation claims, in any way resulting from or arising from the services rendered under this Contract; provided, however, that the Contractor need not indemnify or save harmless the County, its officers, agents and employees from damages resulting from the negligence of the County's commissioners, officials, officers, directors, agents and employees.

9. **INDEMNIFICATION FOR PROFESSIONAL NEGLIGENCE:** The Contractor shall indemnify and hold harmless the County and any of its commissioners, officials, officers, directors, agents and employees from and against damages, liability, losses, costs and expenses, including reasonable attorney's fees, but only to the extent caused by the negligent acts, errors or omissions of the Contractor, its employees, agents or subcontractors, or others for whom the Contractor is legally liable, in the performance of professional services under this Contract. The Contractor is not obligated under this section 9 to indemnify the County for the negligent acts of the County or any of its commissioners, officials, officers, directors, agents and employees.

10. **INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor and is free to perform services for other clients. Notwithstanding any provision of this Contract, all personnel assigned by the Contractor to perform work under this Contract shall be and remain at all times, employees, of the Contractor for all purposes. **THE INDEPENDENT CONTRACTOR IS NOT ENTITLED TO WORKER'S COMPENSATION OR UNEMPLOYMENT BENEFITS THROUGH THE COUNTY AND IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON ANY MONIES EARNED PURSUANT TO THE CONTRACT RELATIONSHIP.**

11. **ILLEGAL ALIENS:** If Contractor has any employees or subcontractors, the Contractor shall comply with §§ 8-17.5-101, *et seq.*, C.R.S., regarding Illegal Aliens - Public Contracts for Services, and this Contract. By execution of this Contract, the Contractor certifies that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and that the Contractor will participate in either the E-Verify Program or Department Program in order to confirm the eligibility of all employees who are newly hired for employment to perform work under this Contract.
 - a. Contractor shall not:
 - i. Knowingly employ or contract with an illegal alien to perform work under this Contract; or
 - ii. Enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract.

- b. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform Work under this Contract through participation in either the E-Verify Program or Department Program.
- c. The Contractor shall not use either the E-Verify Program or Department Program to undertake pre-employment screening of job applicants while this Contract is in effect.
- d. If the Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, the Contractor shall:
 - i. Notify the subcontractor and the County within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
 - ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to the preceding subparagraph d.i., the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- e. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in § 8-17.5-102(5), C.R.S.
- f. The Contractor violates this provision of this Contract, the County may terminate the Contract for a breach of contract. If the Contract is so terminated, the Contractor shall be liable for actual and consequential damages to the County as required by law.
- g. The County will notify the Office of the Secretary of State if the Contractor violates this provision of this Contract and the County terminates the Contract for such breach.

12. **NO WAIVER OF GOVERNMENTAL IMMUNITY ACT:** The parties hereto understand and agree that the County, its commissioners, officials, officers, directors, agents and employees, are relying on, and do not waive or intend to waive by any provisions of this Contract, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to the County.

13. **ASSIGNMENT:** The Contractor covenants and agrees that, other than those subcontractors identified in the Scope of Work, Exhibit A, attached and incorporated

herein, it will not assign or transfer its rights hereunder, or subcontract any work hereunder, either in whole or in part without the prior written approval of the Authorized Representative. Any attempt by the Contractor to assign or transfer its rights hereunder shall, at the option of the Authorized Representative, void the assignment or automatically terminate this Contract and all rights of the Contractor hereunder

14. **COUNTY REVIEW OF RECORDS:** The Contractor agrees that, upon request of the Authorized Representative, at any time during the term of this Contract, or three (3) years thereafter, it will make full disclosure to the County and make available for inspection and audit upon request by the Authorized Representative, the County Director of Finance, or any of their authorized representatives, all of its records associated with work performed under this Contract for the purpose of making an audit, examination or excerpts. The Contractor shall maintain such records until the expiration of three (3) years following the end of the term of this Contract.
15. **OWNERSHIP OF DOCUMENTS:** Drawings, specifications, guidelines and any other documents prepared by the Contractor in connection with this Contract shall be the property of the County.
16. **ASSIGNMENT OF COPYRIGHTS:** The Contractor assigns to the County the copyrights to all works prepared, developed, or created pursuant to this Contract, including the right to: 1) reproduce the work; 2) prepare derivative works; 3) distribute copies to the public by sale, rental, lease, or lending; 4) perform the works publicly; and 5) to display the work publicly. The Contractor waives its rights to claim authorship of the works, to prevent its name from being used wrongly in connection with the works, and to prevent distortion of the works.
17. **TERMINATION:** The County shall have the right to terminate this Contract, with or without cause, by giving written notice to the Contractor of such termination and specifying the effective date thereof, which notice shall be given at least ten (10) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies and reports prepared by the Contractor pursuant to this Contract shall become the County's property. The Contractor shall be entitled to receive compensation in accordance with this Contract for any satisfactory work completed pursuant to the terms of this Contract prior to the date of notice of termination. Notwithstanding the above, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Contract by the Contractor.
18. **NOTICES:** Notices concerning termination of this Contract, notices of alleged or actual violations of the terms or provisions of this Contract, and all other notices shall be made as follows:

By the Contractor to County:	[Authorized Agent] [Title] [Address]
------------------------------	--

	Pagosa Springs, CO 81147
With a copy to:	[Name] [Title] [Address] Pagosa Springs, CO 81147
By the County to the Contractor	[Name] [Title] [Address] [City], [State] [Zip]

Said notices shall be delivered personally during normal business hours to the appropriate office above, or by prepaid first-class U.S. mail, via facsimile, or other method authorized in writing by the Authorized Representative. Mailed notices shall be deemed effective upon receipt or three (3) days after the date of mailing, whichever is earlier. The parties may from time to time designate substitute addresses or persons where and to whom such notices are to be mailed or delivered, but such substitutions shall not be effective until actual receipt of written notification.

19. **NONDISCRIMINATION:** In connection with the performance of work under this Contract, the Contractor agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability.
20. **GOVERNING LAW; VENUE:** The substantive laws of the State of Colorado (and not its conflicts of law principles) govern all matters arising out of, or relating to, this Contract and all of the transactions it contemplates, including without limitation its validity, interpretation, construction, performance and enforcement. Venue for any action hereunder shall be in the District Court, County of Archuleta, State of Colorado. Contractor expressly waives the right to bring any action in or to remove any action to any other jurisdiction, whether state or federal.
21. **COMPLIANCE WITH ALL LAWS AND REGULATIONS:** All of the work performed under this Contract by the Contractor shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Colorado. The Contractor shall also comply with all applicable ordinances, regulations, and resolutions of the County and shall commit no trespass on any public or private property in the performance of any of the work embraced by this Contract.
22. **SEVERABILITY:** In the event any of the provisions of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining provisions shall not be affected. Should either party fail to enforce a specific term of this Contract it shall not be a waiver of a subsequent right of enforcement, nor shall it be deemed a modification or alteration of the terms and conditions contained herein.

23. **NO THIRD-PARTY BENEFICIARIES:** The enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement, shall be strictly reserved to the County and the Contractor, and nothing contained in this Contract shall give or allow any such claim or right of action by any other or third person under such Contract.

24. **ADVERTISING AND PUBLIC DISCLOSURE:** The Contractor shall not include any reference to this Contract or services performed pursuant to this Contract in any Contractor's advertising or public relations materials without first obtaining the written approval of the Authorized Agent. Nothing herein, however, shall preclude the transmittal of any information to officials of the County, including without limitation, the County Manager and the Board of County Commissioners.

25. **PRIORITY OF PROVISIONS:** In the event that any terms of this Contract and any Exhibit, attachment, or other referenced document are inconsistent, the following order of priority shall control:

- 1st This Contract
- 2nd Request for Proposal (RFP) #4150-19-001
- 3rd Exhibit C ~ Insurance Requirements
- 4th Exhibit A ~ Scope of Services
- 5th Exhibit B ~ Method of Payment
- 6th Response to Request for Proposal (RFP) #4150-19-001

26. **HEADINGS; RECITALS:** The headings contained in this Contract are for reference purposes only and shall not in any way affect the meaning or interpretation of this Contract. The Recitals to this Contract are incorporated herein.

27. **ENTIRE AGREEMENT:** The parties acknowledge and agree that the provisions contained herein constitute the entire agreement and that all representations made by any commissioner, official, officer, director, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications to this Contract, except those which are expressly reserved herein to the Authorized Representative, shall be valid unless they are contained in writing and executed by all the parties with the same formality as this Contract.

28. **INSURANCE:** The Contractor shall be required to maintain the insurance requirements provided in Exhibit C, attached hereto and incorporated herein by reference. The Contractor shall provide evidence that such requirements have been met and shall provide updated information to the County in the event any changes are made to the Contractor's insurance coverage during the term of this Contract.

29. **COUNTY EXECUTION OF AGREEMENT:** This Contract is expressly subject to and shall not be or become effective or binding on the County, until execution by all signatories of the County.

30. **FORCE MAJEURE:** No party shall be liable for failure to perform hereunder if such failure is the result of force majeure. Any time limit shall be extended for the period of any delay resulting from any force majeure, or this Contract may be terminated if such delay makes performance of the Contract impossible or impracticable. Force majeure shall mean causes beyond the reasonable control of a party such as, but not limited to, weather conditions, acts of God, strikes, work stoppages, unavailability of or delay in receiving labor or materials, faults by contractors, subcontractors, utility companies or third parties, fire or other casualty or action of government authorities.

31. **SIGNATORY AUTHORITY:** Each person signing this Contract in a representative capacity expressly represents that the signatory has the subject party's authority to so sign and that the subject party will be bound by the signatory's execution of this Contract.

IN WITNESS WHEREOF, the County and the Contractor have executed this Contract as of the above date.

CONTRACTOR

By: _____

Printed Name: _____

Title: _____

Date: _____

Signature of Notary Public Required:

State of _____)

) ss.

County of _____)

The foregoing was acknowledged before me this _____ day of _____

_____, 20_____, by _____

_____.

Notary Public: _____

My commission expires: _____

COUNTY

Attest:

BOARD OF COUNTY COMMISSIONERS
OF ARCHULETA COUNTY,
COLORADO

County Clerk

By: _____
Ronnie Maez, Chair

(Affix County Seal)

Date: _____

Exhibit A
SCOPE OF SERVICES

[As outlined in RFP No. 4150-19-001, as modified by the Contractors proposal].

Exhibit B
METHOD OF PAYMENT

The Contractor shall supply the County with a completed IRS W-9 Form. Payments shall be made by warrants payable to the trade or business name of the Contractor, if an EIN number is listed on the form, or to the name of an individual (if a Social Security number is listed on the form).

Exhibit C
INSURANCE REQUIREMENTS

1. The Contractor agrees to procure and maintain with insurers with an A- or better rating as determined by A.M. Best's Key Rating Guide, at its own expense, the following policies of insurance:

a. **Workers' Compensation Insurance & Employers Liability** to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this contract, and Employers' Liability insurance with the following limits:

Workers' Compensation:	Statutory
Employers' Liability:	\$1,000,000.

b. **Commercial General Liability** insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) aggregate. This insurance will apply as primary insurance. The policy will be applicable to all premises and operations. The policy will include coverage for bodily injury, broad form property damage (including completed operations), personal injury, blanket, contractual, independent contractors, products, and completed operations. The policy will contain a severability of interests provision.

c. **Commercial Automobile Liability** insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) each occurrence with respect to each of Contractor's owned, hired and non-owned vehicles assigned to or used in performance of the services. The policy will contain a severability of interests provision.

2. **Certificates of Insurance**. The required Commercial General Liability and Commercial Automobile Liability policies will name Archuleta County, its officers and employees as additional insured and provide for a waiver of subrogation in favor of Archuleta County, Colorado. The required Workers' Compensation Insurance policies will name Archuleta County as a Certificate Holder. The certificate(s) of insurance will be attached to this agreement as evidence that policies providing the required coverage, conditions, and minimum limits are in full force and effect. Any notices, within 20 days of cancellation or termination will provide an email notice to:

Larry Walton, Finance Director
Archuleta County
P.O. Box 1507
Pagosa Springs, CO 81147
lwalton@archuletacounty.org

3. **Failure to Procure or Maintain Insurance.** The Contractor will not be relieved of any liability, claims, demands, or other obligations, assumed by its failure to procure or maintain insurance, or its failure to procure or maintain insurance in sufficient amounts, durations, or types. Failure on the part of the Contractor to procure or maintain policies providing the required coverage, conditions and minimum limits will constitute a material breach of contract upon which Archuleta County may immediately terminate this contract.

4. **Deductibles and Coinsurance.** The Contractor agrees to be fully and solely responsible for any costs or expenses as a result of a coverage deductible, coinsurance penalty, or self-retention. The Contractor will indemnify Archuleta County, in full, for any amounts related to the above.

5. **Governmental Immunity.** The parties hereto understand and agree that Archuleta County is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq. as from time to time amended, or otherwise available to Archuleta County, its officers, or its employees.

Approved by: _____

Dated: _____