

**Agenda**  
**Jefferson County**  
**Finance Committee**  
Jefferson County Courthouse  
311 S. Center Avenue  
Room 112  
Jefferson, WI 53549

Date: Thursday, June 12, 2014

Time: 8:30 a.m.

Committee members:	Jones, Richard (Chair)	Poulson, Blane
	Braugher, James (Vice Chair)	Schroeder, Jim
	Hanneman, Jennifer (Secretary)	

**Note: Bid opening for delinquent properties at 9:00 am.**

1. Call to order.
2. Roll call (establish a quorum).
3. Certification of compliance with the Open Meetings Law.
4. Review of the agenda.
5. Citizen comments.
6. Approval of Finance Committee minutes for May 8, 2014.
7. Communication.
8. Monthly Financial Report-Finance Department.
9. Discussion of funding for projects related to the new Highway Facilities.
10. Review and discussion on 2014 projections of budget vs. actual.
11. Update on the 2015 budget process.
12. Discussion and approval of bids received for foreclosed properties and consideration of the process to use to dispose of the unsold properties.
13. Discussion and possible action on transferring county owned property to the City of Jefferson-PIN 241-0614-1131-026.
14. Discussion on sending out RFP for auditing services.
15. Discussion on the impacts to GASB 68 (Governmental Accounting Standards Board).
16. Discussion on the implementation of Procurement Cards (P-Cards).
17. Update on contingency fund balance.
18. Set future meeting schedule, next meeting date, and possible agenda items.
19. Payment of invoices.
20. Adjourn.

Next scheduled meetings:	Thursday, July 17, 2014 Regular Meeting
	Thursday, August 14, 2014 Regular Meeting
	Monday, September 8, 2014 Budget Meeting
	Wednesday, September 10, 2014 Budget Meeting
	Thursday, September 11, 2014 Regular and Budget Meeting
	Friday, September 12, 2014 Budget Meeting
	Thursday, October 9, 2014 Regular Meeting

All meetings are scheduled to begin at 8:30 am in Room 112 unless otherwise noted

*The Committee may discuss and/or take action on any item specifically listed on the agenda*

***Individuals requiring special accommodations for attendance at the meeting should contact the County Administrator 24 hours prior to the meeting at 920-674-7101 so appropriate arrangements can be made.***

Jefferson County  
Finance Committee Minutes  
May 8, 2014

Committee members: Braughler, James B (Vice Chair) Blane Poulson  
Hanneman, Jennifer (Secretary) Schroeder, Jim  
Jones, Richard C. (Chair)

1. **Call to order** – Richard Jones called the meeting to order at 8:30 a.m.
2. **Roll call (establish a quorum)** – All committee members were present. Staff in attendance was Ben Wehmeier, Phil Ristow and Brian Lamers.
3. **Election of Finance Committee Chair, Vice Chair and Secretary.** Dick Jones asked for nominations for the Finance Committee Chair. A nomination was made by Hanneman/Braughler for Dick Jones. The vote was 4-0 with Dick Jones abstaining. Dick Jones took nominations for Vice Chair with Hanneman/Poulson nominating James Braughler for Vice Chair. The vote was 4-0 with James Braughler abstaining. Dick Jones took nominations for Secretary with Poulson/Braughler nominating Jennifer Hanneman for Secretary. The vote was 4-0 with Jennifer Hanneman abstaining.
4. **Certification of compliance with the Open Meetings Law** – Ben Wehmeier certified that notice of the meeting complied with the Open Meeting Law.
5. **Review of the agenda**-No changes
6. **Citizen Comments** – None
7. **Approval of Finance Committee minutes for April 10, 2014.** Dick Jones questioned item #9 in the minutes which was approving a credit card for Genevieve Borich. Some members of the committee thought they had approved a \$4,000 limit and not the \$3,000 in the minutes. Ben Wehmeier stated that the \$4,000 amount was only a request. He explained that most of the credit cards have a \$3,000 limit. After discussion, the committee decided that the approval for \$3,000 was acceptable and that the minutes could be left as printed. A motion was made by Braughler/Hanneman to approve the minutes of April 10, 2014. The motion passed 3-0 with Schroeder and Poulson abstaining.
8. **Communications** –None
9. **Monthly Finance Report for Finance Department.** Brian Lamers went through the March 2014 report.
10. **Report on sales of tax delinquent properties and consideration of the process to use to dispose of the unsold properties.** Phil Ristow explained the process for the sale of delinquent properties. He stated that a public auction was held and the county sold 5 properties in the total amount of \$12,100. One of the properties sold for \$6,500 and the other 4 sold for \$1,400. Phil described the options for the remaining sites. After further discussion a motion was made by Hanneman/Braughler to publish as a class 1 notice and accept sealed bids for \$1,000 minimum appraisals with the ability to take less. The motion passed 5-0.

- 11. Discussion and possible action to approve the Budget Carryover Policy, Budget Amendment Policy, Capital Projects Policy and Revenue Policy.** Ben Wehmeier explained that we are trying to get policies in place for improvement of the budget process and best financial practices. A discussion took place as to the purposes of the policies. A motion was made by Poulson/Hanneman to recommend approval of all of the policies as drafted to the County Board. The motion passed 5-0.
- 12. Discussion of funding for projects related to the Countryside purchase, demolition and cost related to the future Highway Facilities.** Ben Wehmeier stated that the demo was complete on 4/22/14 pending determining the penalty still needs to be determined. Bid packages will be brought to the next County Board meeting for the bulk fluid and fueling systems for the new facility.
- 13. Review and discussion on 2014 projections of budget vs. actual.** Brian Lamers pointed out there is a concern with Register of Deeds revenues being down approximately \$50,000 from the projected budget. As of March, the estimated revenue budget is about \$128,000 and there is about \$78,000 currently received. Also currently, the Jail and Jail Kitchen budget are slightly over estimated budget and we will continue to monitor.
- 14. Update on the 2015 budget process.** Ben Wehmeier went through what has been done and where the process is currently and what is coming up. Discussion came up regarding conflicts in the committee budget hearing meeting schedule of September 17<sup>th</sup>, 22<sup>nd</sup>, 24<sup>th</sup> and 26<sup>th</sup>. The new proposed dates are September 8<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup>. September 11<sup>th</sup> is the regular Finance Committee meeting and the agenda would include the budget meeting. Ben told the committee he would review the schedule and confirm if those dates will work.
- 15. Update on contingency fund balance.** Brian Lamers directed the Finance Committee to the schedule showing the current balance of 2014 general contingency of \$543,473 and the vested benefits balance of \$275,000.
- 16. Set future meeting schedule, next meeting date, and possible agenda items –** The next meeting is Thursday, June 12, 2014 at 8:30 am. Agenda items will include an update on the Highway projects and a projection of budget vs. actual. Jim Braugher brought up that he would not be available the week of July 10, 2014 meeting. The committee agreed to change the July 10, 2014 meeting to Thursday, July 17, 2014 at 8:30 am.
- 17. Payment of Invoices-**After review of the invoices, a motion was made by Hanneman/Schroeder to approve the payment of invoices totaling \$563,500.22. The motion passed 5-0.
- 18. Adjourn –** A motion was made by Braugher/Hanneman to adjourn 9:53 a.m. The motion passed 5-0.

Respectfully submitted,

Jennifer Hanneman  
Finance Committee  
Jefferson County  
/bll

Finance-April 2014  
2601

Date Ran 5/22/2014  
Period 4  
Year 2014

Revenues

Acct Number	Description	Current Period Actual	YTD Actual	Total Budget	Annual Remaining	Percentage Of Budget
412100	SALES TAXES FROM COUNTY	(13.66)	(44.13)	(110.00)	(65.87)	40.12%
451005	CHILD SUPPORT FEES	(90.00)	(360.00)	(1,700.00)	(1,340.00)	21.18%
451312	EMP PAYROLL CHARGES	(45.00)	(45.00)	-	45.00	#DIV/0!
474201	FAX INTERDEPARTMENT	-	-	(60.00)	(60.00)	0.00%
Totals		(148.66)	(449.13)	(1,870.00)	(1,420.87)	24.02%

Expenditures

Acct Number	Description	Current Period Actual	YTD Actual	Total Budget	Annual Remaining	Percentage Of Budget
	SALARY AND WAGES	22,261.55	86,064.20	262,118.00	176,053.80	32.83%
	FRINGES	12,589.23	41,926.71	120,290.00	78,363.29	34.85%
521213	ACCOUNTING & AUDITING	4,950.00	8,910.00	16,140.00	7,230.00	55.20%
521213	CAFR REPORTING	-	-	3,600.00	3,600.00	0.00%
521296	COMPUTER SUPPORT	-	2,789.91	3,453.00	663.09	80.80%
531243	FURNITURE & FURNISHINGS	-	-	400.00	400.00	0.00%
531303	COMPUTER EQUIPMT & SOFTWARE	-	535.00	500.00	(35.00)	107.00%
531311	POSTAGE & BOX RENT	149.09	859.98	2,000.00	1,140.02	43.00%
531312	OFFICE SUPPLIES	22.30	1,034.60	3,000.00	1,965.40	34.49%
531313	PRINTING & DUPLICATING	62.34	127.23	400.00	272.77	31.81%
531314	SMALL ITEMS OF EQUIP	-	-	200.00	200.00	0.00%
531324	MEMBERSHIP DUES	-	690.00	690.00	-	100.00%
531351	GAS/DIESEL	-	-	500.00	500.00	0.00%
532325	REGISTRATION	-	935.00	1,400.00	465.00	66.79%
532332	MILEAGE	-	-	200.00	200.00	0.00%
532335	MEALS	16.00	16.00	400.00	384.00	4.00%
532336	LODGING	-	70.00	2,800.00	2,730.00	2.50%
533225	TELEPHONE & FAX	56.76	106.79	250.00	143.21	42.72%
535242	MAINTAIN MACHINERY & EQUIP	-	-	1,000.00	1,000.00	0.00%
571004	IP TELEPHONY ALLOCATION	72.00	288.00	864.00	576.00	33.33%
571005	DUPLICATING ALLOCATION	1.00	4.00	12.00	8.00	33.33%
571009	MIS PC GROUP ALLOCATION	916.58	3,666.32	10,999.00	7,332.68	33.33%
571010	MIS SYSTEMS GRP ALLOC(ISIS)	313.25	1,253.00	3,759.00	2,506.00	33.33%
591519	OTHER INSURANCE	114.27	457.08	1,661.00	1,203.92	27.52%
Totals		41,524.37	149,733.82	436,636.00	286,902.18	34.29%

Other Financing Sources (Uses)

Acct Number	Description	Current Period Actual	YTD Actual	Total Budget	Annual Remaining	Percentage Of Budget
Totals		-	-	-	-	#DIV/0!
Total Business Unit		41,375.71	149,284.69	434,766.00	285,481.31	34.34%

Estimated % 33.33%

Item  
# 8

# **NOTICE OF SEALED BID SALE**

## **Tax Delinquent Real Estate**

### **Owned by Jefferson County**

Pursuant to Section 75.521, Wisconsin Statutes, title to the property described below has been granted to Jefferson County for nonpayment of delinquent taxes due. The property will be sold in accordance with Section 75.69, Wis. Stats., and the regulations thereunder, at public sale under sealed bids. No abstract or title insurance will be furnished. Conveyance shall be by quit claim deed.

**PLACE BIDS DUE:** Jefferson County Treasurer's Office, Room 107, Jefferson County Courthouse, 311 South Center Avenue, Jefferson, WI 53549

**DATE BIDS DUE:** Wednesday, June 11, 2014, at 4:00 p.m.

**DATE BIDS WILL BE OPENED:** Thursday, June 12, 2014, at 9:00 a.m.

**PLACE OF SALE:** Jefferson County Courthouse, 311 South Center Avenue, Room 112, Jefferson, WI

No property may be sold for an amount less than the appraised value, unless the Finance Committee approves such a sale. BIDS BELOW THE APPRAISED VALUE MAY BE TENDERED. A BID FOR MULTIPLE LOTS AS A PACKAGE MAY BE SUBMITTED. JEFFERSON COUNTY RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS, OR ACCEPT THE BID MOST ADVANTAGEOUS TO IT.

Items below are units in the Jellystone Park Condominium Resort of Fort Atkinson Condominium, Town of Koshkonong, Jefferson County, Wisconsin, subject to the recorded Declaration of Condominium recorded in Vol. 628 of Records on Page 843 as Document No. 787800.

JEFFERSON COUNTY IS SELLING ONLY THE LISTED CONDOMINIUM UNITS. VARIOUS UNITS HAVE SHEDS, DECKS OR OTHER STRUCTURES LOCATED ON THEM. JEFFERSON COUNTY MAKES NO REPRESENTATION AS TO THE OWNERSHIP OF THE SHEDS, DECKS OR OTHER STRUCTURES LOCATED ON ANY UNIT, WHICH MAY BE THE PERSONAL PROPERTY OF THE PREVIOUS OWNER OR WHICH MAY BE ABANDONED. BUYER IS NOTIFIED THAT TITLE TO ANY SHED, DECK OR OTHER STRUCTURE IS NOT TRANSFERRED AS PART OF THIS SALE, AND SHOULD CONSIDER THAT INFORMATION WHEN MAKING A BID. JEFFERSON COUNTY WILL NOT REMOVE ANYTHING FROM THE UNIT PRIOR TO OR AFTER CLOSING.

The following units have an appraised value of \$1,000:

Units 7, 9, 13, 14, 30, 32, 34, 37, 49, 63, 74, 75, 80, 83, 84, 93, 100, 104, 121, 122, 124, 129, 134, 234, 240, 241, 242, 257, 307, 315, 332, 341, 343, 347, 351, 367, 368, 376, 157, 158, 174, 181, 183, 186, 196, 199, 203, 204, 215, 220, 222, 412, 413, 483, 484, 485, 514, 567 and 568.

Units above with a zoning permit for the shed: 100 and 343.

Units above with a zoning permit for the deck: 315, 347, 368 and 204.

Units above with a zoning permit for the shed and deck: 129, 181 and 484.

(If sheds or decks remain after sale, a zoning permit should be applied for.)

**SUBMISSION OF BIDS:** All bids must be submitted on the form, "Sealed Bid for Purchase of Tax Delinquent Property." Contact County Treasurer, 920-674-7250, for form and information concerning the property. Bids must be submitted directly to John Jensen, County Treasurer. Your bid envelope should contain: Name, address, and "Sealed Bid for Purchase of Tax Delinquent Property" on the outside.

**PAYMENT TERMS:** 20% of the bid must be submitted therewith. Upon acceptance of a bid, the balance due on the bid will be required in full within thirty (30) days. Bidders agree that in the event a successful bidder fails to timely pay the balance due, the County may elect to keep the deposit paid as liquidated damages and reoffer the property for sale.

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#12*

**TYPE OF REMITTANCE:** All payments must be by cash, certified check, cashier's or treasurer's check or by a U.S. postal, express or telegraph money order. Make checks and money orders payable to Jefferson County Treasurer. PERSONAL CHECKS WILL NOT BE ACCEPTED. BIDS NOT ACCOMPANIED BY PAYMENTS AS SET FORTH HEREIN WILL BE REJECTED.

**TITLE OFFERED:** Only the right, title, and interest of Jefferson County, Wisconsin, in and to the property will be offered for sale. Upcoming real estate bills and special charges for assessments will be the responsibility of the successful bidders.

Dated this 30th day of May 2014.

s/Barbara A. Frank

**BARBARA A. FRANK**, County Clerk

Jefferson County Courthouse

311 South Center Avenue

Jefferson, WI 53549

(920) 674-7144

Item  
#12

## Brian Lamers

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**From:** Connie Freeberg  
**Sent:** Thursday, May 22, 2014 1:09 PM  
**To:** Brian Lamers  
**Cc:** Phil Ristow  
**Subject:** Finance Committee Agenda for June 12

Brian:

Please include on the June 12 Finance Committee agenda the following item:

Review transfer of PIN 241-0614-1131-026 to the City of Jefferson

I have attached maps of the property for the packet. This was a tax delinquent parcel the County obtained on December 18, 2012.

Thank you.

***Connie Freeberg, Paralegal II/County Board Reporter  
Office of the Corporation Counsel  
Jefferson County Courthouse  
311 South Center Avenue, Room 110  
Jefferson, WI 53549  
Tel.: (920) 674-7135  
FAX: (920) 674-7399  
connief@jeffersoncountywi.gov***



Riverview-Garity  
Street parcel...



Riverview-Garity  
Street parcel ma...





- ▲ Surveys
- Streams Etc.
- ▬ Mcd Boundaries
- Parcels

241-0614-1131-026

100 200 Feet

Map Printed on: January 22, 2013



DISCLAIMER: This map is not a substitute for an actual field survey or onsite investigation. The accuracy of this map is limited to the quality of the records from which it was assembled. Other inherent inaccuracies occur during the compilation process. Jefferson County makes no warranty whatsoever concerning this information.

# County of Jefferson, Wisconsin



## Request For Proposal Auditing Services

June 2014

Item  
#  
14

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## 1. BACKGROUND

Jefferson County is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending December 31, 2014, 2015, 2016 with two (2) optional subsequent fiscal years. 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*, 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* as well as the following additional requirements:

- A. Wisconsin Single Audit Guidelines as published by the Wisconsin Department of Administration,
- B. All other related applicable Wisconsin state statutes.

## 2. CONTRACT TERM

Initial term of contract will be for three (3) years with the option of two (2) additional one (1) year renewals, subject to the annual review and recommendation of the Administrator and Finance Department, the satisfactory negotiation of terms (including a price acceptable to both Jefferson County and the selected firm), the concurrence of the Jefferson County Board of Supervisors and the annual availability of an appropriation.

## 3. TENTATIVE PROJECT TIMELINE

Please Note: These dates are for planning purposes. They represent the County's desired timeline for implementing this project. Any revision to the Due Date for submission of proposals will be made by addendum. All other dates may be adjusted without notice, as needs and circumstances dictate.

Issuance of RFP	June 2014
<b>Proposal Responses Due from Vendors</b>	<b>August 8, 2014 by 3 PM CST</b>
Review Proposal Selections with Finance Committee	August 14, 2014
Award of Contract Pending County Board Approval	September 10, 2014
Send out Intent to Award/Thank you Letters	September 12, 2014
Contract Start Date	October 1, 2014

## 4. RFP QUESTIONS

**All questions** related to this RFP **must be in writing** and received by the Jefferson Finance Department no later than **4:00 p.m. CST, July 30, 2014** via e-mail to [brianl@jeffersoncountywi.gov](mailto:brianl@jeffersoncountywi.gov) . Clearly mark the e-mail: "Questions for RFP-Auditing Services".

**Mailed, phone call and faxed questions will not be accepted.**

Answers to all written questions will be published in the form of an addendum and posted on the Jefferson County website at: (<http://www.jeffersoncountywi.gov>). It is the responsibility of all interested vendors to access the web site for this information. Calls for assistance with the web site can be made to (920) 674-7142.

## **5. PROPOSAL DUE DATE AND DELIVERY ADDRESS DETAILS**

All proposals are due to Jefferson County Finance Department no later than 3 PM CST, August 15, 2014.

Proposals can be submitted in a sealed envelope marked "RFP Auditing Services" or may be emailed to [brianl@jeffersoncountywi.gov](mailto:brianl@jeffersoncountywi.gov) . For email, please indicate "RFP Auditing Services" in subject line.

**NOTE:** Proposals mailed must be stamped in by the specified due date/time when received in the Finance Department Office.

### Delivery Address for Hand Delivery, UPS, DHL, Fed X, etc.:

Jefferson County Finance Department  
RFP Auditing Services  
311 S. Center Ave-Room 109  
Jefferson, WI 53549

## **6. PROPOSAL FORMAT**

All proposals must be typed on standard 8 ½" x 11" paper (larger paper is permissible for charts, spreadsheets, etc.) separating each section. Provide **5 paper copies** of your proposal.

Proposals should be prepared in a simple, cost effective format providing a straightforward, concise description of the vendor's capabilities to satisfy the requirements of the RFP. The use of elaborate materials and the inclusion of additional information that has no direct bearing on the project are not desired. Emphasis should be concentrated on accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and clearly labeled. Instructions relative to each part of the response to this RFP are defined in the remainder of this section.

## **7. PROPOSAL SUBMISSION REQUIREMENTS**

Any deviation from these requirements may result in the proposal being considered non-responsive, and could eliminate the vendor from further consideration. The proposal shall be prepared with a straight forward, concise delineation of the vendor's capabilities to satisfy the requirements of this RFP including the following items outlined (A – E) below:

### **A. RFP Questions (See Attachment B):**

Include responses to the questions provided in this attachment in your proposal to be considered for this service.

### **B. Proposal Rate Sheet (See Attachment D):**

Provide attachment listing your rates with your proposal.

### **C. Proposal Reference Data Sheet (See Attachment E):**

Provide attachment listing three to five references with your proposal.

### **D. Proposal Designation of Confidential and Proprietary Information (See Attachment F):**

If any part of your proposal includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5) Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law, please designate on the attachment and

provide with your proposal. *Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.*

**E. RFP Addendum Acknowledgement Receipt Schedule (See Attachment G):**

If Addendums exist for this project, please sign and date the attachment and provide it with your proposal.

**8. FINANCIAL VERIFICATION**

Vendor verification prior to award: Vendor's financial solvency may be verified through financial background checks via Dun & Bradstreet or other means (i.e.; Wisconsin Circuit Court Access, UCC) prior to contract award. Jefferson County reserves the right to reject proposals based on information obtained through these background checks if it's deemed to be in the best interest of the County.

**9. OTHER**

All work shall conform to all applicable industry, federal, state and local laws, codes, ordinances, and standards.

The County prohibits communication initiated by the respondent to any County official, representative from another entity or employee evaluating or considering the proposals, prior to the time a decision has been made.

Interested vendors must inform the County Administrator, prior to proposal submission deadline, if they have any pre-existing business relationship(s) with the County related to this project that may conflict with a potential contract award.

Rejection of Proposals: Jefferson County reserves the right to accept or reject any or all proposals and to waive any informality in proposals. No vendor will be provided with financial and/or competitive vendor information on this proposal until after the award of contract has been made. To the extent possible, it is the intention of Jefferson County to withhold the contents of the proposal from public view until such times as competitive or bargaining reasons no longer require non-disclosure, in the opinion of Jefferson County. At that time, all proposals will be available for review in accordance with the Wisconsin Open Records Law. Jefferson County shall not be held liable for any claims arising from disclosure it determines is required under the Wisconsin Open Records Law.

Taxes: Jefferson County and its departments are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes.

This contract shall be subject to the laws of the State of Wisconsin. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Stats., sexual orientation as defined in s.111.32(13m), WI Stats, or national origin.

Jefferson County is an Equal Opportunity Employer.

By responding to this proposal, prospective vendors acknowledge and accept the attachments, including the insurance requirements and standard contract template.

## **Attachment A**

*(Potential vendors are expected to perform the following service in order to submit a proposal and to be awarded a contract.)*

### **Defining Scope of Work**

#### **Jefferson County RFP for Auditing Services**

##### **1. NATURE OF SERVICES REQUIRED**

###### **A. Scope of Work To Be Performed:**

Jefferson County desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditors will be required to express an opinion on the financial statements based on an audit. The auditor is required to audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of Jefferson County. The report shall be issued in accordance with Government Auditing Standards, to include internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The auditor is not required to audit the introductory section of the report or the statistical section of the report. The auditor is not required to audit the management's discussion and analysis, however should apply certain limited procedures regarding the methods of measurement and presentation of the required supplementary information.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor shall be required to issue an independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance Schedules of Expenditures of Federal and State Awards in accordance with OMB Circular A-133.

###### **B. Auditing Standards To Be Followed:**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America & the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, 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 the State Single Audit Guidelines issued by the Wisconsin Department of Administration.

###### **C. 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 Federal and State Financial Awards which includes compliance and internal control over compliance applicable to each major program. Upon completion of the reports the auditor will complete the Data Collection Form and submit to the County.

In the required reports 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 reports 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 to Jefferson County's Finance Director or County Administrator of all irregularities and illegal acts or indications of illegal acts of which they become aware.

Reporting to the Finance Committee. Auditors shall assure themselves that Jefferson County's Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

**D. Special Considerations:**

1. Jefferson County will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is



anticipated that the auditor will be required to provide special assistance to Jefferson County to meet the requirements of that program.

2. Jefferson County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
3. Jefferson County has determined that the United States Department of Health and Human Services will function as the cognizant agency in accordance with the provisions of the 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*.
4. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report, but are to be issued separately.
5. A list of findings and other weaknesses from Jefferson County's most recent financial statement audit is included in Attachment I.
6. It is anticipated that the auditor will be required to provide assistance to Jefferson County to comply with new GASB pronouncements.

**E. 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 from final payment, unless the firm is notified in writing by Jefferson 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. Jefferson County
2. State of Wisconsin Department of Health and Human Services
3. U.S. General Accounting Office (GAO)
4. Parties designated by the federal or state governments or by Jefferson County as part of an audit quality review process
5. Auditors of entities of which Jefferson 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.

**2. JEFFERSON COUNTY GOVERNMENT DESCRIPTION**

**A. Primary Contact:**

After the contract is awarded, the auditor's principal contact with Jefferson County will be the Finance Director, or a designated representative, who will coordinate the assistance to be provided by Jefferson County to the auditor. Names of contacts and telephone numbers will be provided to the successful audit firm.

**B. Background Information:**

Jefferson County serves an area of 576 square miles with a population of 83,940 per 2013 estimated census. Jefferson County's fiscal year begins on January 1 and ends on December 31.

Jefferson County provides the following services to its citizens:

Public safety, health and human services, conservation and development, education and recreation, highways, support for the State's judicial system, and general administrative services.

Jefferson County employs over 500 full and part-time employees and is organized into 28 departments and agencies. The accounting and financial reporting functions of Jefferson County are a combination of both centralized and decentralized activities. Human Services, Health and Highway have their own accounting staff.

Jefferson County has offices located throughout the City of Jefferson. Travel between offices will be required during this engagement.

More detailed information on the government, finances and organizational chart can be found in the 2012 Comprehensive Annual Financial Report and the 2014 Adopted Budget on the County's intranet site at <http://www.jeffersoncountyiwi.gov>.

**C. Fund Structure:**

Jefferson County uses the following fund types and account groups in its financial reporting.

FUND TYPE	NUMBER OF FUNDS
General fund	1
Special revenue funds	2
Debt service funds	1
Capital projects funds	1
Permanent funds	0
Enterprise funds	1
Internal service funds	0
Private-purpose trust funds	0
Investment trust funds	0
Pension trust funds (& other employee benefits)	0
Agency funds	0
Component unit	0

**D. Budgetary Basis of Accounting:**

Jefferson County prepares its budgets on a basis consistent with generally accepted accounting principles. It is not the practice of the County to include the statutory budget of the proprietary funds in the financial statements.

**E. Federal and State Awards:**

Please refer to the single Audit Report for the year ended December 31, 2012 for a listing of state and federal major and non-major financial assistance programs. See Attachment J.

**F. Pension Plans:**

Jefferson County participates in the Wisconsin Retirement System, a cost-sharing multiple-employer public employee retirement system. This is a defined benefit retirement program.

**G. Component Units:**

Jefferson County is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in Jefferson County's financial statements.

**H. Magnitude of Finance Operations:**

The Finance Department is headed by a Director and consists of a total of 4.7 employees.

**I. Computer Systems:**

Jefferson County's accounting records are maintained through the use of an automated budgeting, human resources, and accounting package (JD Edwards, which has been bought out by Oracle Systems). The annual budget, including revenues, appropriations and expenditures are recorded in the accounting records upon adoption by the County Board of Supervisors.

The Management Information Systems Department (MIS) supports the County's computer network of approximately 500 personal computers along with a mainframe (IBM I5, formerly known as the AS/400) system. Included in the on-line systems are the following primary systems:

- JD Edwards
  - Accounting
  - Payroll/Human Resources
  - Budgeting
  - Fixed Assets
- County Tax System for Real Estate/Personal Property
- State of Wisconsin KIDS System
- Sheriff/Jail Information System (CIS)
- Land Records Information System (GIS)
- Highway Accounting System (CHEMS)
- Human Services (WISACWIS and AODA)
- KRONOS Timecard System

**J. Availability of Prior Audit Reports and Working Papers:**

Interested proposers who wish to review prior years' audit reports can access the reports on-line at Jefferson County » Departments » Finance » County Annual Financial Reports (CAFR).

The website address for Jefferson County is [www.jeffersoncountyiwi.gov](http://www.jeffersoncountyiwi.gov).

**K. Schedule for the fiscal year audit:**

Each of the following should be completed by the auditor no later than the dates indicated. Due to various deadlines, no extensions will be granted to the following timeline.

1. Interim Work: The auditor shall complete interim work prior or during December.
2. Detailed Audit Plan: The auditor shall provide Jefferson County by December 1 both a detailed audit plan and a list of all schedules to be prepared by Jefferson County.

3. Fieldwork: The auditor shall complete all fieldwork by May 11.
4. Draft Reports: The auditor shall provide all draft financial statement recommendations, revisions and suggestions for improvement along with any recommendations to management to be available for review by the Finance Department by June 7.
5. Entrance Conferences, Progress Reporting and Exit Conferences (A similar time schedule will be developed for audits of future fiscal years if Jefferson County exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the schedule:

- a. Entrance conference with all key finance department personnel and staff of key offices or programs prior to commencement of preliminary field work in a department. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed by the auditor and schedules/information to be provided by the Finance Department. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.
- b. Progress conference with Department Heads upon completion of field work in a Department. The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested.
- c. Progress conference with key Finance Department personnel upon completion of preliminary field work. The purpose of this meeting will be to summarize the results of the preliminary review and to discuss schedules/information to be provided by the Finance Dept. for year-end work. Any anticipated findings should also be discussed.
- d. Entrance conference with key Finance Department personnel to commence year-end audit work prior to commencement of year-end audit work.
- e. Exit conference with department heads of key offices or programs upon completion of field work in a Department. The purpose of this meeting will be to summarize the results of the field work and to review significant findings.
- f. Exit Conference with key Finance Department personnel upon completion of field work. The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

**L. Date Final Report is due:**

Annually, Jefferson County Finance personnel shall prepare draft financial statements, notes and all required supplementary schedules and statistical data by April 30. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Finance Director on or about May 30. A revised report, including draft auditor's reports shall be delivered to the Finance Director within one week of providing the draft report.

The Finance Department will complete their review of the draft report as expeditiously as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Finance Director. It is anticipated that this process will be completed and available for final printing by Jefferson County no later than **June 15**.

The reconciliation of Form A with the Financial Statements shall be completed by the auditing firm no later than June 30.

The Federal Awards and State Financial Assistance Report and Management Communications shall be finalized and delivered to the Finance Director no later than **July 31**.

The final report, Federal Awards and State Financial Assistance Report and Management Communications should be emailed as a PDF file to the Finance Director.

### **3. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

- A.** Finance Department and Other Assistance: The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of Jefferson County staff.
- B.** Electronic Data Processing (EDP) Assistance: The auditor will be provided computer time and the use of Jefferson County's computer hardware and software.

The use of Jefferson County's computer hardware and software will be limited to inquiry functions only for general ledger accounts and related receipts, disbursements and payroll journals.
- C.** Statements and schedules to be prepared by the staff of Jefferson County: The staff of Jefferson County will prepare numerous internal schedules with supporting documentation for each balance sheet account in each fund prior to the arrival of the auditors. In addition, special schedules for the auditors are prepared upon their request.
- D.** Jefferson County will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines and internet access.
- E.** The auditor currently prepares and prints the CAFR and the Federal Awards and State Financial Assistant Report. (Approximately 10 CAFR Reports along with PDF files of both reports)

## **Attachment B**

*(Provide responses to the questions below when submitting proposal to be considered)*

### **Proposal Questions**

#### **Jefferson County RFP for Auditing Services**

The following details need to be provided in all submitted proposals to be considered for this service:

**1. TITLE PAGE**

Title page showing the request for proposals subject; the firm's name, address, phone number, fax number, website URL for your firm and any other firm or firms that you would team with, together with the name, address, phone, fax and e-mail for the person who should be contacted in regard to this RFP. If you propose to team with another firm, please provide the same information requested in this Statement for that firm;

**2. 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 2014, 2015, and 2016 and optional years 2017 and 2018.

**3. FIRM QUALIFICATIONS AND EXPERIENCE**

A firm resume describing the firm's experience with auditing. 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.

**4. 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 Wisconsin. 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 Jefferson 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 Jefferson County. However, in either case, Jefferson 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 Jefferson 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.

## **5. INDEPENDENCE**

The firm should provide an affirmative statement that is independent of Jefferson County as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of Jefferson County as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving Jefferson County or any of its agencies, component units or primary government 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.

## **6. LICENSE TO PRACTICE IN WISCONSIN**

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

## **7. PRIOR ENGAGEMENTS WITH JEFFERSON COUNTY**

List separately all engagements within the last five years, ranked on the basis of total staff hours, for Jefferson 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.

## **8. 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.

## **9. 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 Attachment A of this request for proposal. In developing the work plan, reference should be made to such sources of information as Jefferson

County's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of Jefferson County's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance
- i. Approach to be taken in determining departmental visits

#### **10. 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 Jefferson County.

#### **11. REPORT FORMAT**

The proposal should include sample formats for required reports.



## **Attachment C**

*(This attachment is provided for your information only. There is no need to sign or mail it back.)*

### **Proposal Scoring**

#### **Jefferson County RFP for Auditing Services**

Responses to this RFP will be evaluated according to the following by a scoring team:

##### **1. PROPOSAL EVALUATION PROCESS**

The following steps will be observed in the evaluation of vendor proposals:

- a. Jefferson County will establish a proposal scoring team;
- b. The proposal scoring team will review all proposals received and score the proposals in accordance with the predefined scoring methodology;
- c. Composite scores will be developed summarizing the individual scoring efforts of each proposal scoring team member;
- d. Vendors will be ranked by composite score
- e. In order for proposals to be evaluated the following items are mandatory:
  - The audit firm is independent and licensed to practice in Wisconsin.
  - The firm has no conflict of interest with regard to any other work performed by the firm for Jefferson County.
  - The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
  - The firm submits a copy of its last external quality control review report and management letter and the firm has a record of quality audit work.
- f. Any proposal whose price is over-budget may not be scored or considered.

##### **2. PROPOSAL SCORING METHODOLOGY**

The following is a summary of the proposal evaluation factors and the point value assigned to each. These factors will be used in the evaluation of the individual vendor proposals. Points will be awarded on the basis of the following factors:

Specifications	Points
1. Proposal Thoroughness and Mandatory Requirements	5
2. Expertise and Experience (possible reference checks)	25
3. Audit Approach	25
4. Other	5
5. Pricing	40
Total	100

##### **3. EVALUATION FACTORS**

The evaluation factors to be used in proposal scoring are described below:

- a. Proposal Thoroughness: Proposals will be evaluated on how well the proposal is laid out in accordance with the RFP Requirements.
- b. Expertise and Experience: The firm's past experience and performance on comparable government engagements, 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, experience with Wisconsin Counties, and experience with Single Audit.

- c. Audit Approach: Proposals will be evaluated on submitted Audit Approach including of proposed staffing plan for various segments of the engagement, adequacy of sampling techniques and adequacy of analytical procedures.
- d. Other: Availability for ongoing consultations during the balance of the year.
- e. Pricing: Scoring is based on a formula with the lowest price submitted that is divided by the price of each prospective vendor times the established point value times the weight factor percentage.

## **Attachment D**

*(Use of this form is required when submitting proposal)*

### **Proposal Rate Sheet**

#### **Jefferson County RFP for Auditing Services**

##### **Vendor information:**

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Total All-Inclusive Maximum Price for 2014: \_\_\_\_\_

Total All-Inclusive Maximum Price for 2015: \_\_\_\_\_

Total All-Inclusive Maximum Price for 2016: \_\_\_\_\_

Total All-Inclusive Maximum Price for optional 2017 year: \_\_\_\_\_

Total All-Inclusive Maximum Price for optional 2018 year: \_\_\_\_\_

##### **Breakdown for the audit of the 2014 financial statements**

<b>Personnel</b>	<b>Hours</b>	<b>Standard Hourly Rate</b>	<b>Quoted Hourly Rate</b>	<b>Quoted Total</b>
Partners				
Managers				
Supervisory Staff				
Other (specify):				
<b>Subtotal</b>				
Federal Awards and State Financial Assistance Report	N/A	N/A		
Out of pocket expenses	N/A	N/A		
Meals/Lodging	N/A	N/A		
Transportation	N/A	N/A		
Other (specify):				
<b>Total All-inclusive maximum for 2014 audit</b>				

*Rates 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.*

Notes:

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The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses. Jefferson County will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal. Any applicable costs may include the following:

1. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
2. The cost of special services should be disclosed as separate components of the total all-inclusive maximum price.
3. Any applicable Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates.
4. Any applicable rates for Additional Professional Services.
5. If it should become necessary for Jefferson 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 Jefferson County and the firm. Any such additional work agreed to between Jefferson 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 proposal.
6. Disclose any applicable fees associated with consultation or advice provided during the year on the proper accounting treatment of unusual events.
7. Disclose fees in connection with the sale of debt securities and an approximation of what the charge would be.
8. Disclose any applicable fees associated with telephone calls made during the year regarding financial reporting matters relating to the audit.
9. Disclose any applicable fees associated with telephone calls made during the year regarding operational matters.

**Attachment E**

*(Use of this form is required; please fill out and return with submitted proposal)*

**Proposal Reference Data Sheet**

**Jefferson County RFP for Auditing Services**

Provide a list of at least three and not greater than five clients' that you are currently providing auditing services of similar scope with at least one from the public sector.

You must verify that contact person listed is accurate and still employed with the company.

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

**Attachment F**

*(Use of this form is required when submitting proposal)*

**Proposal Designation of Confidential and Proprietary Information**

**Jefferson County RFP for Auditing Services**

The attached material submitted in response to the RFP for auditing services includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5) Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released without our written approval.

**Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.**

**Blanket labeling of confidential/proprietary information in headers/footers of documents will not be considered as confidential/proprietary.**

Information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1) (c), Wis Stats. as follows: "Trade secret" means information, including formula, patter, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request the following pages not be released

Section	Page #	Topic
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**IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY AND AGREES TO HOLD JEFFERSON COUNTY HARMLESS FOR ANY COSTS OR DAMAGES ARISING OUT OF THE COUNTY'S AGREEING TO WITHHOLD THE MATERIALS.**

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The County considers other markings of

confidential/proprietary in the bid/proposal document to be insufficient. The undersigned agrees to hold the County harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Company Name:\_\_\_\_\_

Authorized Representative:\_\_\_\_\_

Signature

Authorized Representative:\_\_\_\_\_

Type or Print

Date:\_\_\_\_\_

## **Attachment G**

*(If Addendums exist for this project, please sign and date and send with your proposal)*

### **RFP Addendum Acknowledgement Receipt Schedule**

#### **Jefferson County RFP for Auditing Services**

The undersigned acknowledges receipt of the following addendum:

Addendum #1 \_\_\_\_\_ Initials \_\_\_\_\_

Addendum #2 \_\_\_\_\_ Initials \_\_\_\_\_

Addendum #3 \_\_\_\_\_ Initials \_\_\_\_\_

Addendum #4 \_\_\_\_\_ Initials \_\_\_\_\_

The undersigned agrees with the following statement:

I have examined and carefully prepared the RFB/RFP/RFQ from the plans and specifications and have checked the same in detail before submitting the RFB/RFP/RFQ to Jefferson County.

Name \_\_\_\_\_  
Signature \_\_\_\_\_

Date \_\_\_\_\_

If this RFB/RFP/RFQ is assigned a project number all vendors are responsible to check for addendums, posted on our web site at [http://www.jeffersoncountywi.gov/jc/public/jchome.php?page\\_id=2232&page\\_name=Request for Proposals \(RFP\)](http://www.jeffersoncountywi.gov/jc/public/jchome.php?page_id=2232&page_name=Request%20for%20Proposals%20(RFP)) for this project prior to the due date. No notification will be sent when addendums are posted unless there is an addendum within three business days of RFB/RFP/RFQ due date.

All vendors receiving initial notification of project and those who register as downloading the project off our web site will be notified, by Jefferson County, of all addendums issued within 3 business days prior to due date. If RFB/RFP/RFQ has already been submitted, vendor is required to acknowledge receipt of addendum via fax or e-mail prior to due date. New RFB/RFP/RFQ must be submitted by vendor if addendum affects costs.

Vendors that do not have Internet access are responsible for contacting the Finance Department at 920-674-7142 to ensure receipt of addendums issued.

RFBs/RFPs/RFQs that do not acknowledge addendums may be rejected.

All RFBs/RFPs/RFQs submitted will be sealed. Envelopes are to be clearly marked with required information. Sealed RFBs/RFPs/RFQs that are opened by mistake due to inadequate markings on the outside may be rejected and returned to the vendor.



## **Attachment H**

*(This attachment is provided for your information only. There is no need to sign or mail it back.)*

### **Proposal Appeals Process**

#### **Jefferson County RFP for Auditing Services**

To: Vendors

RE: Jefferson County Appeals Process

An appeal refers to a written request from a vendor for reconsideration of vendor selection on a RFB, RFQ or RFP.

Appeals may be submitted for the following purchases:

1. The item is a public work project bid under Section 55.52 (29) and 66.29 of the Wisconsin Statutes, or
2. The item price is \$5,000 or more or the total order is \$10,000 or more, and
3. Vendor selection was based on factual errors, or
4. The lowest price vendor was not selected, or
5. Failure by the County or its agents to adhere to the County's policies and procedures or other legal requirements.

Appeals shall be submitted in writing and should specify the factual error or policy, procedure or other legal requirement which has been violated. Vendor appeals are to be submitted to the County Administrator within 72 hours of receipt of rejection letter. Appeals not containing the necessary information or not filed on a timely basis shall be rejected by the County Administrator.

Submit to: Jefferson County Administration  
311 S. Center Ave. Room 111  
Jefferson, WI. 53549

## **Attachment I**

*(Potential vendors are required to meet the following insurance requirements in order to be awarded a contract. There is no need to sign or mail it back.)*

### **Contract Insurance Requirements**

#### **Jefferson County RFP for Auditing Services**

##### **Hold Harmless**

Vendor hereby agrees to release, indemnify, defend and hold harmless Jefferson County, their officials, officers, employees and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, resulting from or arising out of the performance under this agreement by vendor, its officers, officials, employees, agent or assigns. Jefferson County does not waive, and specifically reserves, its right to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

##### **Insurance Requirements**

Vendor, Contractor, Tenant, Provider, Organization or other (will be referred as Outside Contractor) shall provide and maintain at its own expense during the term of their agreement, the following insurance policies covering its operations hereunder are minimum requirements. Such insurance shall be provided on a primary basis by insurer(s) financially solvent and authorized to conduct business in the State of Wisconsin.

The Outside Contractor shall not commence work under this contract until all insurance required under this paragraph is obtained and such insurance has been approved by a County representative, nor shall any Outside Contractor allow subcontractors to commence work on their subcontract until all similar insurance requirements have been obtained and approved by a County representative. Notwithstanding any provisions of this section, and for purposes of this agreement, contractor acknowledges that its potential liability is not limited to the amounts of insurance coverage it maintains or to the limits required herein.

**(1) Worker's Compensation Insurance and Employers Liability.**

State Statutory workers' compensation Limits  
Employer Liability, \$500,000 each accident.

**(2) Comprehensive General Liability (Occurrence Form).**

- Products and Completed Operations
  - Personal Injury and Advertising Liability
  - Independent Contractors/Protective
- |                     |                            |
|---------------------|----------------------------|
| Limits of Insurance | \$1,000,000 per occurrence |
|                     | \$1,000,000 aggregate      |

**(3) Business Automobile Liability.** Business Automobile Liability covering all owned, hired, and non-owned vehicles.

Limits of Insurance	\$1,000,000 per occurrence for bodily injury and property damage.
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**(4) Excess/Umbrella Liability.**

Limit of Insurance	\$1,000,000 per occurrence
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##### **Additional Insured**

The Outside Contractor agrees that all liability coverage policies other than professional liability shall name Jefferson County as additional insured's with respect to: liability arising out of activities performed by or on behalf of the vendor/contractor: products and completed operations of vendor/contractor; premises owned, occupied or used by vendor; or automobiles owned, leased, hired or borrowed by vendor. The coverage shall contain no special limitations on the scope of protection to the County.

### **Adjustments to Insurance Coverage**

The limits of liability as set forth herein shall be periodically reviewed and adjustments made so as to provide insurance coverage in keeping with increases in the Consumer Price Index and what is deemed to be prudent and reasonable by the County or its representatives. In the event that the County determines that the limits need to be adjusted at some time after the initial term of the contract, the County shall give notice to the contractor in writing of the new limits and the Contractor shall make such adjustments to its insurance coverage within 60 day of such notice.

### **Subcontractor**

Subcontractors of the Outside Contractor shall also be in compliance with these requirements, including but not limited to, the submittal of a Certificate of Insurance that meet the same requirement outlined for the Outside Contractor.

### **Waiver of Subrogation**

Insurers shall waive all subrogation rights against Jefferson County on all policies required under this requirement.

### **Cancellation Notice**

Jefferson County will be given 30 days' notice in advance of cancellation, non-renewal, or material change in coverage.

### **Proof of Insurance**

A valid Certificate of Insurance shall be issued to "Jefferson County" prior to commencement of work and meeting the requirements listed to avoid any interruption of normal business services and transactions. Certificates must bear the signature of the insurer's authorized representative.

The insurance certificate must be issued by companies licensed to do business in the State of Wisconsin or signed by an agent by the State of Wisconsin.

The certificates of insurance shall include a provision prohibiting cancellation of said policies except upon 30 days prior written notice to the County.

The certificates of insurance shall include reference to the **contract name or RFP number** in the description section of the certificate and listing **Jefferson County** as the additional insured.

The certificate of insurance will be delivered to Jefferson County prior to the execution of the contract.

Jefferson County  
Finance Department  
311 S Center Ave-Room 109  
Jefferson, WI 53549

Special considerations will be given if the required amounts cannot be met. This will only take place after an insurance waiver form is completed.

*\*\*\* Jefferson County shall be named as an additional insured with respects to liability coverage's other than professional liability and will be given 30 days' notice in advance of cancellation, non-renewal, or material change in coverage. A certificate of insurance evidencing such coverage's shall be placed on file with the County prior to commencement of work under this contract. \*\*\**

## **Attachment J**

*(This document is provided as a template to potential vendors as a requirement that this document is to be used to contract with the awarded vendor. There is no need to sign or mail it back at this time.)*

# **JEFFERSON COUNTY PROFESSIONAL SERVICES STANDARD CONTRACT TEMPLATE**

**Purchase/Service Description:** Auditing Services

**Time of Performance:** 2014 thru 2016 with the option of two (2) additional one (1) year renewals

**Total Amount of Contract:** Not to exceed \$

**Performance, schedules and invoices will be approved by:** Jefferson County Finance Director, 320 S Main Street, Room 109, Jefferson, WI 53549

This Jefferson County Professional Services Standard Contract ("Contract") is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ ( the "CONTRACTOR"), and Jefferson County, a body corporate organized under the Laws of Wisconsin ( the "COUNTY") (Collectively referred to as the "parties" or in the singular as the "party").

### **WITNESSETH:**

WHEREAS, the COUNTY, a governmental entity organized and existing as a body corporate pursuant to Wis. Stat. § 59.01, is in the business of providing certain governmental services to the COUNTY and its citizens;

WHEREAS, the CONTRACTOR, is in the business of providing said services and has made express and implied representations to the COUNTY of being capable, experienced and qualified to undertake and personally perform those services as are required in fulfilling all obligations under the terms and conditions of this Contract; and

WHEREAS, relying upon the CONTRACTOR'S above-referenced express and implied representations, the COUNTY now desires to engage and the CONTRACTOR now desires to be engaged as an independent contractor and not as an employee of the COUNTY to perform said services, all in accordance with the terms and conditions of this Contract.

Work shall commence in accordance with the terms and conditions of this Contract after the CONTRACTOR has executed the Contract, and either: (a) has been notified in writing to commence the Performance of Services; or (b) has received from the COUNTY an original of the Contract that is complete and fully executed.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the COUNTY and the CONTRACTOR agree as follows:

### **1. REQUIREMENTS:**

The CONTRACTOR hereby agrees to be retained by the COUNTY and the COUNTY hereby agrees to retain the CONTRACTOR to perform the services in accordance with the terms and conditions of this Contract, which includes, but is not limited to:

- A. that the CONTRACTOR is required to do, perform, and carry out in a satisfactory, timely, and proper manner the services delineated in this Contract;

- B. that the CONTRACTOR is required to comply with requirements listed with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services under this Contract; and
- C. that the CONTRACTOR is required to comply with time schedules and payment terms.

The CONTRACTOR and its subcontractors, to the same extent as the CONTRACTOR, agree to fulfill all obligations described in the COUNTY'S \_\_\_\_\_ (hereinafter referred to as the "Project"), as well as the addenda attached thereto, copies of both which are attached hereto and incorporated herein by reference.

The total amount of the Contract includes all services, deliverables, and reimbursable expenses. Additional reimbursable fees will not be accepted.

2. **SPECIFIC CONDITIONS OF PAYMENT:** Payment to be due and owed following completion and acceptance of the Project by the COUNTY. Payment will be made within thirty (30) days after receipt of a properly documented invoice, the manner of which is more fully set forth below under "Payment Schedule", but only if completion is deemed satisfactory by the COUNTY.

#### **Payment Schedule**

**Net 30 days from receipt of a properly completed invoice to be mailed or emailed directly to:**

**Mail Address:** Jefferson County Finance Director, 311 S Center Ave., Room 109, Jefferson, WI 53549

**Email Address:** brianl@jeffersoncountyiwi.gov

3. **REPORTS:**

- A. The CONTRACTOR agrees to timely submit reports as may be required by the COUNTY in its sole discretion.
- B. All reports, studies, analyses, memoranda and related data and material developed during the performance of this Contract shall be submitted to and be the exclusive property of the COUNTY and the COUNTY shall have the right to use them for any purpose without any further compensation to the CONTRACTOR. All of the documents and materials prepared or assembled by the CONTRACTOR under this Contract will not be made available to any individual, agency, public body or organization other than the COUNTY unless legally required otherwise, at which point the CONTRACTOR is obligated to notify the COUNTY of the same in advance thereof.
- C. The documents and materials prepared in whole or in part under this Contract shall not be made the subject of any report, book, writing or oral dissertation by the CONTRACTOR. If this Contract is terminated, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the COUNTY upon termination.

4. **TIME OF PERFORMANCE:**

The services to be performed under this Contract are to be undertaken and completed in such sequence as to assure expeditious completion in light of the purpose of this Contract, but in any event all of the services required hereunder shall be completed as indicated on the top of Page 1 of this Contract under "Time of Performance," which is the termination date of this Contract. In addition to all other remedies available to the COUNTY, should the Contract not be completed by the date specified herein, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR'S responsibility to complete the services and to execute any amendments to this Contract as deemed necessary by the COUNTY.

5. **CONDITIONS OF PERFORMANCE AND COMPENSATION:**

- A. **Performance** - The CONTRACTOR agrees that its work shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.

- B. **Place of Performance** – The COUNTY shall determine the place or places where services shall be provided by the CONTRACTOR.
- C. **Compensation** - The COUNTY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract, the maximum as indicated on the top of Page 1 of this Contract under "Total Amount of Contract," inclusive of all expenses. In no event will the total compensation exceed the maximum amount indicated on the top of Page 1 of this Contract. Compensation for services provided under this Contract is contingent upon the approval process set forth in Section 3 of this Contract under "Specific Conditions of Payment." Section 66.0135, Wis. Stats., will apply to any late payments by the COUNTY, except as provided for by Section 22 of this Contract.
- D. **Taxes, Social Security and Government Reporting** - Personal income tax payments, social security contributions and all other governmental reporting and contributions as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR.
- E. **Subcontracting** - The CONTRACTOR shall not subcontract for the performance of any of the services set forth herein without prior written approval obtained from the COUNTY. If any work or service is subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the COUNTY for the acts and omissions of his subcontractors and/or persons either directly or indirectly employed by him, as he is for the acts and omissions of persons directly employed by him.

**6. INDEMNIFICATION AND DEFENSE OF SUITS:**

The CONTRACTOR agrees to release, indemnify, defend, and hold harmless the COUNTY, its officials, officers, employees, and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, resulting from or arising out of the performance under this agreement by CONTRACTOR, its officers, officials, employees, agents or assigns. The COUNTY does not waive, and specifically reserves, its right to assert any and all affirmative defenses and limitations of liability as specifically set forth in Wisconsin Statutes, Chapter 893 and related statutes.

**7. REGULATIONS:**

CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related thereto.

**8. SAFETY REQUIREMENTS:**

All material, equipment and supplies provided to the COUNTY must comply with all safety requirements as set forth by, among other provisions, the Wisconsin Administration Code, Rules of the Industrial Commission on Safety and all applicable OSHA standards.

**9. VENUE AND APPLICABLE LAW:**

Any lawsuits related to or arising out of disputes under this Contract shall be commenced and tried in the Circuit Court of Jefferson County, Wisconsin and the COUNTY and CONTRACTOR shall submit to the jurisdiction of the Circuit Court for such lawsuits. This Contract and any disputes arising under it shall be governed by the laws of the State of Wisconsin.

**10. TERMINATION OF CONTRACT FOR CAUSE:**

If through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the CONTRACTOR violates the covenants, agreements or stipulations of this Contract, the COUNTY shall have the right to terminate this Contract by giving written notice, as provided for in Section 25 of this Contract, to the CONTRACTOR of such termination. The written notice shall be provided to the CONTRACTOR at least five (5) days before the effective date of such termination. The COUNTY, in its sole discretion, may allow the CONTRACTOR a reasonable amount of time to cure a breach of the terms of this Contract, if the COUNTY determines that the breach is

amenable to a cure. The COUNTY shall not unreasonably withhold such permission. The COUNTY'S decision to allow the CONTRACTOR a reasonable amount of time to cure said breach in one instance does not constitute a waiver of a subsequent breach of the same or any other term of this Contract, nor shall it be deemed to waive the need for further consent or approval from the COUNTY to cure any subsequent breaches, regardless of their nature.

In the event that this Contract is terminated for any reason by either party, all finished and unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the CONTRACTOR under this Contract shall, at the option of the COUNTY, become the property of the COUNTY.

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 this Contract by the CONTRACTOR, and the COUNTY may withhold any payments due the CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the COUNTY from the CONTRACTOR is determined and recovered.

**11. CHANGES:**

All changes that are mutually agreed upon by and between the COUNTY and the CONTRACTOR, including any increase or decrease in the amount of the CONTRACTOR'S compensation, shall be in writing and designated as written amendments to be attached to this Contract.

**12. WAIVER:**

One or more waivers by any party of any term of this Contract will not be construed as a waiver of a subsequent breach of the same or any other term hereof. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent act by such party.

**13. PERSONNEL:**

A. The CONTRACTOR represents that it has or will secure, at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.

B. All of the services required hereunder will be performed by the CONTRACTOR or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

**14. ASSIGNMENT:**

The CONTRACTOR shall not assign or transfer this Contract and shall not transfer any interest in it without the prior written consent of the COUNTY. Claims for money due or to become due to the CONTRACTOR from the COUNTY under this Contract may be assigned to a bank, trust company or other financial institution without COUNTY approval; however, notices, as provided for in Section 25 of this Contract, of any such assignment or transfer shall be furnished promptly to the COUNTY.

**15. RECORDS:**

A. **Establishment and Maintenance of Records** - Records shall be maintained by the CONTRACTOR with respect to all matters covered by this Contract. The records shall be maintained for a period of three (3) years after receipt of final payment under this Contract, except as otherwise authorized by Jefferson County Corporation Counsel.

B. **Documentation of Cost** - All costs of the CONTRACTOR shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

**16. AUDITS AND INSPECTIONS:**

In the event that the COUNTY deems it necessary to conduct an audit or inspection, the CONTRACTOR shall, during normal business hours, furnish or make available at a time designated by

the COUNTY and in the form required by the COUNTY, information, records and reports regarding powers, duties, activities, organization, property, financial transactions, method of operation, or any and all other records, reports or information in the CONTRACTOR'S custody or control as deemed pertinent by the COUNTY to this Contract.

The CONTRACTOR shall provide to the COUNTY'S inspectors or auditors access to all property, equipment and facilities in the CONTRACTOR'S custody or control as the inspectors or auditors deem related to the services provided or purchased under this Contract. The CONTRACTOR shall be expected to provide, at the CONTRACTOR'S expense, reasonable time by the CONTRACTOR'S personnel as may be required for the COUNTY'S inspectors or auditors to perform the inspection or audit.

Any information provided to the COUNTY'S inspectors or auditors which is deemed confidential by federal, state or local laws shall be held as confidential and not disclosed to the public unless legally required otherwise.

**17. NON-DISCLOSURE:**

For the purposes of this Contract, the parties agree to the following definitions.

**Discloser:** The term "Discloser" shall refer to the party or parties in a position to disclose to the other certain Sensitive and/or Confidential Information which is or must remain the property of the disclosing party.

**Recipient:** The term "Recipient" shall refer to the party or parties in a position to receive certain Sensitive and/or Confidential Information from the disclosing party that is not to be disclosed or used in violation hereof.

**Sensitive and/or Confidential Information:** The term "Confidential Information" as used herein means: (1) any Trade Secret of Discloser as defined in the Uniform Trade Secrets Act, Sec. 134.90, Wis. Stats. or any other applicable state or federal trade secrets law; and (2) any non-public information, documentation, and/or devices disclosed or made available by Discloser to Recipient in any form including, but not limited to, all data or know-how either created by Discloser or for Discloser, any information conveyed to Discloser by a third party to which Discloser is bound by a confidentiality agreement not to disclose, the whole or any portion of any technical, scientific, laboratory, experimental or research data, research and development information, information concerning equipment, designs, processes, procedures, formulae, recipes, improvements, customer lists, records, or engineering drawings, documentation and information about products, sales information, formulae, recipes, manufacturing techniques, processes, design of software or hardware, applications or systems, used or developed by Discloser, source codes, other information relating to computer programming, and any information used for the conduct of Discloser's business including, but not limited to, plans, programs, marketing, advertising, sales strategies, policies, costs, pricing, and other financial information.

Sensitive and/or Confidential Information shall also include but shall not be limited to:

- Confidential Information (business or personal) including copyrighted, trademarked or patented information;
- Electronic protected health information (ePHI) protected by Federal HIPAA legislation;
- Intellectual Property (IP);
- Credit card data regulated by the Payment Card Industry (PCI);
- Personal Identity Information (PII);
- Information relating to an ongoing criminal investigation;
- Court-ordered settlement agreements requiring non-disclosure;
- Information specifically identified by this Contract as restricted;
- Other information for which the degree of adverse effect that may result from unauthorized access or disclosure is high;

Whether in writing or not, which the Discloser discloses to Recipient, including, but not limited to, any information relating to the policies, procedures and administration of the Discloser, its affiliates' or customers' ongoing operations, and personnel. It is the intention of the parties in defining Sensitive and/or Confidential Information that any and all information which in any way relates to Discloser's



operations, no matter what the nature thereof, which was disclosed by Discloser or which is developed by either party as part of their services in carrying out the Contract performance reference herein shall be and remain confidential pursuant to this Contract. This includes but is not limited to:

- Applications for services
- Account numbers or balances
- Payment histories
- Identity of customers
- Social Security numbers
- Credit reports or histories
- Any other financial information regarding Jefferson County or its customers
- The terms of this Contract
- HIPAA-related information

Sensitive and/or Confidential Information for purposes of this Contract does not include information that:

- Can be demonstrated to have been published or was otherwise in the public domain before disclosure by Discloser to Recipient;
- Can be demonstrated that, after its disclosure by Discloser to Recipient, is published, or otherwise comes into the public domain through no act or omission by Recipient, by a third party who has a legal right to do so;
- Recipient receives or has received from a third party who as a legal right to disclose it;
- Recipient has in written or physical embodiment form prior to disclosure by Discloser;
- Is independently developed by Recipient without reference to or reliance on Discloser's Sensitive and/or Confidential Information as evidenced by credible written evidence; and
- Becomes subject to the open records mandates of both federal and state law, including but not limited to, Wis. Stats. §§ 19.31 – 19.37.

A. **Acknowledgment of Confidential Relationship** – The County is required to ensure the confidentiality of any Sensitive and/or Confidential Information that the CONTRACTOR may have access to or become privy to under the state and federal laws including, but not limited to, HIPAA and the Wisconsin Privacy of Consumer Financial and Health Information, Wis. Admin. Code Ch. INS 25. The CONTRACTOR hereby acknowledges and agrees that any Sensitive and/or Confidential Information disclosed to it by the COUNTY is for the limited purpose of providing services and the CONTRACTOR will maintain the Confidential Information in confidence, and a confidential relationship will arise between the CONTRACTOR and the COUNTY by reason of such submission and/or disclosure. The CONTRACTOR further acknowledges and agrees that the Sensitive and/or Confidential Information of the COUNTY is proprietary to the COUNTY and that any unauthorized disclosure or unauthorized use as more fully set forth herein will cause harm and/or loss to the COUNTY.

B. **Use and Disclosure of Sensitive and/or Confidential Information.** The CONTRACTOR agrees neither to copy, sell, transfer, publish, disclose, display or otherwise use for its own benefit, nor to disclose to third parties, any Sensitive and/or Confidential Information whether from observation, from any materials submitted or from disclosures by the COUNTY hereunder. The CONTRACTOR further agrees neither to make nor retain any copies of nor directly or indirectly use any process or other proprietary information disclosed to it or any process deceptively similar thereto without the COUNTY'S prior written approval, which the COUNTY may withhold in its sole discretion. In no event shall either party use Sensitive and/or Confidential Information in a way, which violates local, state or federal laws. The duty to protect Sensitive and/or Confidential Information shall survive the termination of this Contract and shall be subject to the open records provisions of both state and federal law.

The CONTRACTOR shall instruct its employees, agents and contractors of their obligations under this Contract and instruct them to use the same care and discretion with respect to the Sensitive and/or Confidential Information as the CONTRACTOR is obligated to use and to not circumvent any security procedures or devices with respect to Sensitive and/or Confidential Information.

- C. **Title remains with the COUNTY.** All innovations, inventions, devices, processes and/or formulas developed by the CONTRACTOR for the COUNTY shall be deemed to be the sole property of the COUNTY. The CONTRACTOR agrees to disclose in writing to the COUNTY any and all formulas, ingredient specifications and descriptions, processing methods, items, ideas or concepts which are directly related to work performed by the CONTRACTOR on behalf of the COUNTY which constitute innovations or inventions developed by the CONTRACTOR either solely or jointly in connection with work performed by the CONTRACTOR at the request of or under any assignment by the COUNTY. The CONTRACTOR also agrees to assign to the COUNTY any and all interest it may have in such inventions or innovations.
- D. **Indemnification by the CONTRACTOR.** The CONTRACTOR agrees to take precautions to avoid wrongful disclosures or use of Confidential Information and will indemnify the COUNTY and hold the COUNTY harmless from all losses; expenses, including reasonable attorney's fees; or liability arising from or in connection with such unauthorized use or disclosure. In addition, the CONTRACTOR acknowledges that in the event of a breach or threatened breach of this Contract, irreparable damage will immediately occur to the COUNTY and the CONTRACTOR will indemnify the COUNTY from all losses, liabilities, and expenses, including reasonable attorney's fees, incurred by the COUNTY as a result thereof.
- E. **Duty of Inquire.** If either party has a question concerning whether information qualifies as Sensitive and/or Confidential Information under this Contract, each shall have a duty to inquire whether the information is deemed sensitive and/or confidential before taking any action contrary to this Contract.

For COUNTY inquire to:  
Corporation Counsel  
(920) 674-7136

For CONTRACTOR inquire to:

- F. **Duty to Safeguard.** Each party shall take all reasonable steps to safeguard any and all Sensitive and/or Confidential Information in their possession. Each party shall ensure, to the extent possible, that access to Sensitive and/or Confidential Information is restricted only to properly authorized employees, agents, officers and/or subcontractors and shall take measures to protect the security of any documentation or computer containing Sensitive and/or Confidential Information.

**18. CONFLICT OF INTEREST:**

- A. **Interest in Contract** - No officer, employee or agent of the COUNTY who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any personal interest, direct or indirect in this Contract.
- B. **Interest of Other Local Public Officials** - No member of the governing body of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract, shall have any personal interest, direct or indirect, in this Contract.
- C. **Interest of Contractor and Employees** - If the CONTRACTOR is aware or becomes aware that any person described in Sections 20, A. and B. of this Contract has any personal financial interest, direct or indirect, in this Contract, the CONTRACTOR shall immediately disclose such knowledge to the COUNTY. The CONTRACTOR further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed or subcontracted.

**19. DISCRIMINATION PROHIBITED:**

A. The CONTRACTOR shall not discriminate against any individual on the basis of age, race, creed, color, disability, marital status, sex, national origin, ancestry, membership in the National Guard, state defense force or any reserve component of the military forces of the United States or this state. The CONTRACTOR may refuse to employ individuals based on conviction and arrest records only as allowed by Sec. 111.335, Wis. Stats.

B. The CONTRACTOR will cause the foregoing provisions to be inserted into all subcontracts, if any, for any work covered by this Contract so that such provision will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

**20. INSURANCE:**

A. The CONTRACTOR shall be solely responsible to meet the CONTRACTOR'S insurance needs as required by the COUNTY during the terms of this Contract or any extension thereof.

B. The Certificate(s) of Insurance shall be issued by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the COUNTY. Such insurance should be primary. The CONTRACTOR shall furnish the COUNTY with a certificate of insurance and upon request, certified copies of the required insurance policies. The certificate(s) shall reference the Contract and name Jefferson County, its boards, commissions, agencies, officers, employees and representatives as additional insureds and provide for thirty (30) days advance notice, as provided for in Section 25 of this Contract, of any change, cancellation or non-renewal during the term of this Contract.

C. The CONTRACTOR shall not allow subcontractors, if any, to commence work until the aforementioned documents, where applicable, have been obtained from the subcontractor(s) and approved by the COUNTY.

D. No payments or disbursements under this Contract shall be made if such proof has not been furnished to the COUNTY. Failure to submit an insurance certificate, as required, can make this Contract void at the COUNTY'S discretion.

**21. FORCE MAJEURE:**

A. If the performance of any part of this Contract by the CONTRACTOR is delayed or rendered impossible by reason of natural disaster, flood, fire, riot, explosion, war or actions or decrees of governmental bodies, the CONTRACTOR shall immediately give notice, as provided for in Section 25 of this Contract, to the COUNTY of the nature of such conditions and the extent of delay and shall do everything possible to resume performance. If the period of nonperformance exceeds twenty-one (21) days from the receipt of said notice of the Force Majeure Event, the COUNTY may, by giving written notice as provided for in Section 25 of this Contract, terminate this Contract.

B. If the ability of the COUNTY to compensate the CONTRACTOR is delayed by reason of natural disaster, flood, fire, riot, explosion, war or actions or decrees of governmental bodies, the COUNTY shall immediately give notice, as provided for in Section 25 of this Contract, to the CONTRACTOR of the nature of such conditions and the expected date that compensation will be made. Section 66.0135, Wis. Stats., shall not apply to any late payment by the COUNTY due to circumstances under this Subsection B.

**22. OTHER PROVISIONS:**

A. **Publicity Releases** – The CONTRACTOR agrees not to refer to award of this Contract in commercial advertising in such a manner that states or implies that the products or services provided are endorsed or preferred by the COUNTY.

B. **Appropriation of Funds** – This Contract is contingent upon annual authorization of funding by the COUNTY governing body. In the event funding is not approved or is terminated, the COUNTY may terminate this Contract by providing forty-five (45) days written notice to the CONTRACTOR.

C. **Severability** -- In the event that any of the provisions of this Contract are deemed invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provisions were not contained herein.

D. **Independent Contractor Status** - This Contract does not in any way create the relationship of joint venture, partnership, principal, or employer/employee between the CONTRACTOR and the COUNTY, their agents, employees, subcontractors, officers and/or representatives. The CONTRACTOR, its employees, agents, subcontractors, and/or representatives shall not act or attempt to act, or represent itself, directly or by implication, as an agent for the COUNTY or in any manner assume any obligation on behalf of or in the name of the COUNTY.

**23. NOTICES:**

Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Service as "Certified Mail, Return Receipt Requested", addressed to the CONTRACTOR at:

And to the COUNTY at: Jefferson County Finance  
311 S Center Ave-Room 109  
Jefferson, WI 53549

**All other correspondence shall be addressed as above, but may be sent by "Regular Mail" and deemed delivered upon receipt by the addressee.**

**JEFFERSON COUNTY FINANCE**

Brian Lamers, CPA, Finance Director

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**JEFFERSON COUNTY CORPORATION  
COUNSEL**

Blair Ward, Corporation Counsel

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**JEFFERSON COUNTY ADMINISTRATION**

Benjamin Wehmeier, County Administrator

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

PROVIDER (To be signed by the person  
authorized to legally bind your firm to this Contract.)

Firm: **Vendor Name & Address**

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signed Name: \_\_\_\_\_  
(Required)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Distribution:**

Original – Purchasing

Copy – Provider(s)

Copy – Responsible Department(s)

**Attachment K**

*(This attachment is provided for your information only. There is no need to sign or mail it back.)*

**2012 AUDIT FINDINGS  
MANAGEMENT COMMENTS AND OBSERVATIONS**

**Jefferson County RFP for Auditing Services**

**GENERAL COUNTY**

None Reported

## **Attachment L**

*(This attachment is provided for your information only. There is no need to sign or mail it back.)*

### **Federal Awards and State Financial Assistance Report**

#### **Jefferson County RFP for Auditing Services**

#### **Finding No 2012-01-Significant Deficiency in Internal Control**

Community Development Block Grant Program (CFDA #14.228)  
Medical Assistance Program (CFDA #93.778)

##### **Requirement**

OMB A-133 requires the grantee to test whether the non-Federal entities performed a verification check for covered transactions, by checking the EPLS, collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity.

##### **Condition**

The County did not perform a documented search of the EPLS Listing, collect a certification from the entity or add a clause to the contract agreement.

##### **Context**

We tested 4 vendors to determine if Jefferson County performed an EPLS search, collected a certification, or added a clause or condition to the contract agreement with the vendor prior to contracting with them. Of the 4 vendors tested, we determined that 3 of the vendors were not verified in one of these ways for being suspended or debarred.

##### **Questioned Costs**

None. We performed an EPLS search and determined that none of the vendors tested were suspended or debarred.

##### **Cause**

The County was unaware of the documentation requirement of A-133 with respect to suspension and debarment.

##### **Effect**

The County may enter into financial transactions with entities that are suspended or debarred from providing services for Federal funding.

##### **Recommendation**

We recommend that the County perform a documented search of the EPLS Listing, with respect to the compliance procedures as outlined by OMB A-133, for the vendor upon procurement of the services.

##### **Management's Response**

Management agrees with the recommendation and will implement steps to ensure compliance on a continuing basis.

# GASB Statement No. 68 Brings Needed Pension Transparency

By: Suesan R. Patton, Director of Quality Initiatives, UHY LLP  
 Terry K. Patton, Ph.D., CPA, CGFM, Dean and Robert Madera  
 Professor of Accounting, Midwestern State University  
 Bob Thomas, Ph.D, CPA, Associate Professor of Accounting,  
 Midwestern State University



## PURPOSE

This article is intended to serve as a high-level summary of the changes that will occur for state and local governments participating in governmental pension plans with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

by irrevocable contributions nor do they address other postemployment benefits—or OPEB. The GASB has on its agenda a separate project to address OPEB benefits—presumably using the same model adopted in Statements 67 and 68. An Exposure Draft of a proposed Statement on OPEB is planned for the second quarter of 2014.

## OVERVIEW

The GASB issued Statement No. 68 and related Statement No. 67, *Financial Reporting for Pension Plans*, in June 2012. In these new standards, the Board's stated goals are to provide more decision-useful information, support users' ability to assess accountability and interperiod equity, and to create additional transparency. Although not listed among the GASB's goals, the new standards no longer tie pension accounting to pension funding, rather the new standards tie pension accounting to the amount of defined pension benefits that have been earned by current and former employees at the balance sheet date, regardless of whether resources are set aside to fund them.

GASB Statements 67 and 68 address pension benefits that are provided through trusts and that meet certain criteria—principal among them that contributions to the plans are irrevocable. These GASB Statements do not address pension benefits that are not funded

GASB Statement No. 68 will apply to state and local government employers in fiscal years ending after June 15, 2014. Pension plans administered as trusts or equivalent arrangements will implement changes required by GASB Statement No. 67 a year earlier. Changes must be adopted as an adjustment of prior periods, and financial statements presented for the periods affected should be restated.

### Net Pension Liability Equal Government's Liability to Its Employees

GASB Statement No. 68 ushers in two big changes for state and local governments. The first is that each government that offers defined pension benefits to its employees will be required to report—on the face of its statements of net assets—a "net pension liability." As noted earlier, this new standard no longer ties reporting to annual funding conventions. Instead, the net pension liability will equal the total pension liability less the net position of the related pension



plan. Single and agent-multiple employers will report 100% of the net pension liability on the face of their financial statements. Cost-sharing multiple-employers will report their proportionate share of the net pension liability. *Nonemployer governments*—such as some states—that are legally required to make contributions directly to another government's pension plan must also report a net pension liability to the extent that they are responsible for those benefits.

### Calculating the Net Pension Liability

The *net pension liability* consists of two components:

- Actuarial present value of projected benefit payments attributed to past periods (Total Pension Liability)
- Less: Fiduciary net position as measured by the pension plan.

Under GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers*, governments previously reported a measure similar to this one for their single employer and agent multiple-employer plans but only in required supplementary information (*outside* the notes to the financial statements) under the heading, "total unfunded actuarial liability."

Just as important, GASB Statement 68 sharpens the procedures required to calculate the net pension liability. For example, projected benefits will be attributed to past/current/future periods using a *single* actuarial cost method—the entry age actuarial cost method. GASB Statement 27 permitted employers and plans to choose from among *six* different methods. As another example, most changes in the net pension liability from period to period (changes in estimates) will be charged to expense in full in the next period—not amortized, say, over the GASB Statement 27 maximum amortization period of 30 years. Actuarial valuations of the total pension liability are required to be performed at least every two years.

### Big Changes for Governments Participating in Cost-sharing Multiple-employer Plans

The second big change ushered in by GASB Statement 68 is that employers participating in defined benefit *cost-sharing* multiple-employer pension plans will be required to recognize their proportionate share of the "collective" net pension liability on the face of their statements of net assets. In these plans, participating governments pool their assets and their obligations to provide pension benefits. The plan's assets can be used to pay the retiree benefits of any participating employer. Previously, these employers did not directly report *information* about their pension obligations. Instead, employers only reported a liability to the extent that they failed to make their required contributions. Users could only obtain a sense of the total liability by taking on the "task" of considering the financial condition of the entire multiple-employer plan. As an example, at June 30, 2012, California multiple-employer plan sponsor, CalPERS, reported that 1,576 public agencies and schools (representing more than 2,500 entities, including the State of California) contribute to its multiple-employer plans. CalPERS' combined *unfunded* actuarial accrued liability (4 plans) equaled \$60.4 billion at June 30, 2011, based on GASB Statement 27 required measures.<sup>1</sup>

This big change for cost-sharing plans also raises a multitude of issues for participating employers. Most participants in cost sharing multiple-employer plans will have to now report a liability because even well-funded plans typically have not accumulated the resources needed to cover the entire actuarially-determined liability. Cost-sharing multiple-employer plan required contributions are not necessarily based on an actuarial calculation of pension benefits earned. Plan contribution rates may instead be based on statute or contract or even a pay-as-you-go basis.

<sup>1</sup> Source: CalPERS Comprehensive Annual Financial Report, June 30, 2012.

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A local government that dutifully made 100 percent of its required contributions to a state cost-sharing multiple-employer plan in the past may well be quite shocked to find that it has a proportionate liability at all—let alone a material one.

In addition, GASB Statement 68 encourages employers to calculate their proportionate share of a collective net pension liability based on each employer's long-term projected contribution effort compared to the total effort for all employers contributing to the plan. This calculation is intended to be flexible. Individual employers participating in the same multiple-employer plan may use different bases for their projections—for example one employer may base their proportionate share on contributions made in the past five years. Another may consider only the contributions it made during the measurement period compared to total contributions during the measurement period.

#### Change in Discount Rates

Discounting has always been a necessary part of the pension benefit/liability equation. Under GASB Statements 25 and 27, the investment return assumption or *discount rate* used to estimate the present value of future benefits is required to be based on an estimated long-term investment yield for the plan, and giving consideration to the nature and mix of current and expected plan investments and the basis used to determine the actuarial value of the plan's assets. More often than not, however, state and local governments have been criticized for selecting discount rates that seem unrealistic—for example, assuming that current and future plan assets will earn 8% each year.

In its new standards, the GASB establishes specific limitations on the discount rates that governmental actuaries and accountants may choose for their pension calculations. Specifically, it requires the discount rate to be dependent on the extent to which the government expects current plan assets to be sufficient to pay plan benefits. Governments

are required to establish a single discount rate based on two rates, as follows:

- The estimated long-term rate of return to the extent that current plan assets are projected to be sufficient to pay pension benefits
- Yield or index rate for 20-year, tax-exempt general obligation municipal bonds to the extent that current plan assets are projected to be insufficient to meet benefits.

#### Looking Ahead

There are numerous implementation issues facing governments with regard to these new standards, especially governments that participate in multiple-employer plans. The AICPA's State and Local Government Expert Panel is working on several whitepapers that further describe these issues and related best practices that will be released in the coming months. Additionally, the AICPA will be adding a new chapter on governmental pension plans and related employer issues to the 2014 edition of the AICPA Audit and Accounting Guide, *State and Local Governments*. In the meantime, early discussion and interaction between plans and governmental employers is key to ensuring that implementation of the new standards by employers is successful.

For additional information about the AICPA's earlier work regarding the new GASB pension standards, read the stories in the August 2012 issue and the September 2013 issue of *The CPA Advocate*. Also, watch the new AICPA video about the two new pension standards that discusses how their implementation will improve transparency of public pension benefits on the finances of state and local governments.

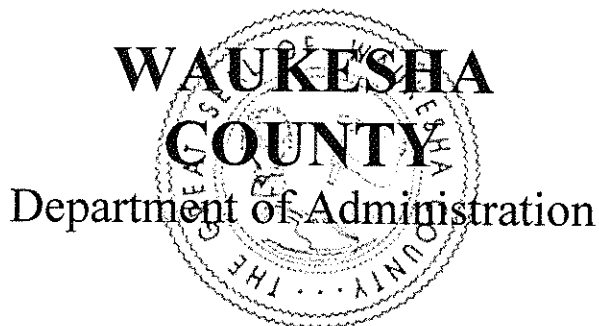
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Item #15

Jefferson County  
Contingency Fund  
For the Year Ended December 31, 2014

Ledger Date	Description	General (599900)	Vested Benefits (599909)	Authority	Publish Date
1-Jan-14	Tax Levy	543,473.00	275,000.00		
Total amount available		543,473.00	275,000.00		
Net		543,473.00	275,000.00		
Potential Contingency Transfers: For Citrex Purchase Sheriff Contract		70,605.00			



*P-Card  
Consortium*

February 2, 2012

Dear P-Card Participant:

You are receiving this information because you are either on the current contract or have expressed interest in participating in the newly awarded contract for procurement cards/services. This contract is eligible for piggybacking by V.A.L.U.E. and WAPP members only. Feel free to pass on to any member agency that may be interested in joining along with my contact information.

I am very pleased to announce that we have finally completed the process for the procurement card program including the award and contract execution. The holidays coupled with this very complex negotiation process resulted in delays that could not be avoided, so please accept my apologies.

This document provides general information applicable to anyone participating in the program, new or existing customers, as well information specific to each. For those of you unfamiliar with the terminology used herein, I would refer you back to the RFP document for a definition of terms. Within this document, where the term annual is used, it is referring the contract year (3/1 thru 2/28) and not the calendar year.

**AWARD AND CONTRACT INFORMATION:**

The awarded vendor is JPMorgan Chase (JPMC) with a commencement date upon contract execution with card activities commencing 3/1/012 (or as otherwise established by the participating agency). The final composite rating and detailed rebate analysis can be found in the link included later in this document. Please note that the amount noted for the rebate is only an **estimate** using a formula that took into consideration the information available at the time the cost evaluation was done.

Waukesha County negotiated the master contract, which incorporates the terms and conditions of the Request for Proposal document and JPMC's Proposal. We have also negotiated the Commercial Card Classic Agreement that all agencies will be required to sign prior to the start of the new contract period or prior to commencing activity if you have not participate in the prior contract. Note: For purposes of their agreement, the "Client" is the participating agency.

The contract is comprised of the documents listed below. Please take time to carefully review them so you fully understand the terms and conditions that your agency and JPMC are bound by.

Waukesha County Contract for Services, No. 1206\*  
Attachment A – RFP No. 1206  
Attachment B – JPMC Proposal  
Attachment C – Commercial Card Classic Agreement (hereafter CCCA)  
Attachment D - Wisconsin Municipalities Financial Offering  
Attachment E – Large Ticket Transaction Definition

\*Review the definition of terms used to clarify the parties contracting for services.  
All contract documents, the aforementioned composite rating and rebate analysis, as well as other referenced attachments can be found by clicking on (or copying and pasting into your browser) the following link:

<https://www.waukeshacounty.gov:444/defaultwc.aspx?id=43243>

Note: The MCC listing referred to in Attachment D is being included in the aforementioned link.

**Division of Risk Management & Purchasing**

Administration Center, Room 310  
515 W. Moreland Blvd.

Waukesha, Wisconsin 53188

Phone: (262) 548-7888 Purchasing; (262) 548-7852 Risk Management

Fax: (262) 548-7668

*Item  
#16*

## **CONTACT INFO**

Contact information for the program coordinator team, SDOL Support team and our assigned relationship manager are being included in the link noted above.

## **COMMENCEMENT OF PROGRAM – EXISTING PARTICIPANTS**

Current customers must still execute the newly negotiated CCCA in order for the terms and conditions of the new contract to be effectuated; however, you will not be required to submit new financials for credit approval.

You will also need to work with the relationship assigned to determine when your agency wishes to transition to the new online system, SDOL Gen2. This can be done at anytime during the contract period; i.e. there is no deadline for cutting over.

## **CONTRACT CHANGES**

For your information, the key changes from the prior to the current contract are:

### **Order of Precedence:**

*If there are conflicting terms between any of the documents, the service contract will prevail.*

### **Fraud:**

*Agencies will no longer be responsible for, nor have their rebates reduced, as a result of any 3<sup>rd</sup> party fraud. While the following language is in Attachment D, given the critical nature of this issue; I'm providing it here as well*

*Fraud losses will not be deducted from rebates, provided that the Participating Agency (hereafter PA) confirms to the fraud department that the charges are not valid if the Fraud Department initiates the call or if PA immediately notifies J.P. Morgan by phone of any account that the PA knows or suspects has been lost, stolen, misappropriated, improperly used, or compromised. The PA shall not be liable for fraudulent transaction(s) made on an account by persons other than the cardholder provided that (i) the PA or cardholder complies with the provisions as specified in the previous sentence; (ii) neither the PA nor the cardholder has received any direct or indirect benefit from such fraudulent transaction(s); (iii) the program has been set up and operated by the PA in accordance with J.P. Morgan's fraud reduction best practices which state that cardholders shall:*

- o Protect their cards including endorsing them immediately.*
- o Guard their account number; i.e. cardholders should not give card numbers over the telephone unless they have performed reasonable due diligence to assure the company is reputable, look for the "SSL" lock logo when making purchases online and never keep their account access code in the same location as the card.*
- o Know your rights; i.e. Cardholders should not give any additional identification such as their driver's license number, social security number, etc. when paying with credit card.*
- o Notify J.P. Morgan no later than five days after the date a fraudulent transaction(s) was suspected*

*And the PA shall:*

- o Make payment to J.P. Morgan by the PA rather than cardholders for approved expenses.*
- o Limit cash advances.*
- o Maintain reasonable security precautions and controls regarding the dissemination, use and storage of cards and transaction data.*

*J.P. Morgan agrees to provide in writing to all PA's a list of high-risk MCCs no later than 3/1/12 and at any time they are updated. J.P. Morgan agrees to work with any PA requiring the inclusion of a high-risk MCC to set up a tool or report to monitor purchases made with a high-risk MCC, in which case PA will not be responsible for fraudulent activity related to the specific high-risk MCC (s) selected. In cases where rebates earned are insufficient to cover these deductions, the PA will be invoiced for the difference.*

Note: I strongly recommend that you make applicable changes to your policy manual to include any information above that puts the responsibility on your agency or your cardholders.

### Reports

There are three reports I consider critical to maintaining your program that JPMC is contractually obligated to create and deliver to requesting agencies until such time as they are available for PA's to create and execute online. Failure to comply with this requirement will result in PA's receiving additional rebate incentives (Reference the last area of the Service Contract, Section II, Scope of Services). These reports are:

- List of Active/Inactive Cards excluding canceled or closed accounts.
- List of Dormant Cards excluding canceled or closed accounts.
- Report based on a user defined time period that shows all single transactions made with totals by billing cycle for the purpose of maintaining card limits appropriate to usage. This report must also exclude canceled or closed accounts.

Rebates: The prior rebate was based on the combined annual spend of all participants and then the individual agency's average transaction size (ATS). There were also incentives for individual agency spend exceeding \$2,000,000 in annual spend, as well as payment incentives based on your billing/payment cycle.

In the new contract, the rebate structure has changed as follows:

The ATS no longer applies. For example; for our contract year ending 2/28/11; our total spend was over \$64M. An agency spending \$5M with an ATS of \$500 received a rebate percentage of 1.36% (\$68,000) while an agency with an ATS of \$300 received only 1.28% (\$64,000). Under the new contract; not only has the ATS gone away, the rebate parameters have increased. An agency with an annual spend of \$5M will now receive a rebate percentage of 1.46% (\$72,500) regardless of the ATS. This does not factor in any other incentives that are available.

Spend Incentive: The rebate incentive for individual agency annual spend has changed slightly. The prior incentive grid went from \$2M to \$10M with 10M achieving the highest incentive of .10%. The new incentive provides .10% to any agency achieving an annual spend of \$7M+.

Payment Incentive: Under the prior contract, incentives were provided based on your billing/payment cycle. This contract provides added incentives for "speed of pay". For example, if your billing cycle was 30/7; your agency received an additional .07%. Under this contract, if you elect to pay within 7 days and you average payment within 4 days over the contract year, you will receive an addition basis point for each day payment was made early, in this case 3 (.03%). Payment date is based on the date your billing cycle closes; i.e. if your billing cycle closes on the 15<sup>th</sup>, payment is due on the 22<sup>nd</sup>.

### **COMMENCEMENT OF PROGRAM – NEW PARTICIPANTS**

If you are not a current customer, contact one of the following individuals who will assign an implementation specialist to contact you to begin the process.

Peter C. Pulos | Treasury Services Manager - Public Sector WI/MN/ND/SD | Treasury & Securities Services  
T: 414-977-6605 | M: 262-844-1822 | F: 414-977-6624 | [peter.c.pulos@jpmchase.com](mailto:peter.c.pulos@jpmchase.com)

Thomas Harkless | Vice President | Government and Not-for-Profit Banking Group  
Office: 414-977-6731 | Cell: 414-736-3214 | [Thomas.m.harkless@chase.com](mailto:Thomas.m.harkless@chase.com)

You will be required to submit financial information for credit approval. Once your credit level has been approved, you will execute the CCCA and upon completion, JPMC will contact you to discuss your implementation needs. JPMC will also be inviting you to attend various webinars available to assist you with learning more about their online system - Smart Data OnLine Gen2 (SDOL G2) that provides the functionality to establish and maintain your program. This, coupled with the assistance of the implementation specialist assigned to your account should help you in making your program a success. JPMC will keep an implementation or other applicable specialist available until after the first billing cycle should you require assistance with downloading the billing file, etc.

After implementation is completed, you or your program administrator will have access to a dedicated team of JPMC program coordinators and a technical support team for SDOL G2. Contact information is in the link provided earlier in this correspondence.

### **ONLINE SYSTEM – ALL PARTICIPANTS**

Unless otherwise specified; the term SDOL will be used to refer to JPMC's online system, regardless if you are using the original version or Gen2.

## **SECURITY ISSUES – ALL PARTICIPANTS**

So that you set up your system, statement distribution and invoicing/payment processes safely and security, I am recommending you consider following the practices our agency has set up as listed below. If you are a new customer, you would work with your implementation specialist on these setups. If you are an existing customer, you would work with the relationship manager.

Account Number: The system allows you to display as much or as little of the cardholder account number as you wish. I recommend you display no less than the last 4 and no more than the last 8 digits.

Statement Distribution: While JPMC has the ability to mail cardholder statements, I recommend that you print them from SDOL. This is the most secure method as the display of account information is in accordance with your setup of the system, the document is not subject to being lost or stolen while in transit and it provides the timeliest method of receipt. A process can be setup to auto-run the statements and be placed in the cardholder's inbox at the end of each billing cycle.

JPMC Billing: JPMC sends out a billing statement at the end of each billing cycle, which includes detailed account holder information, including the complete account code. Our agency was concerned regarding the security of this type of mailing and as such, we worked with JPMC to only receive a summary statement with the only account number on there being the master billing account number; i.e. not a charge card number. We then prepare a report from SDOL of the detail ourselves to match to the account summary statement prior to payment. This has reduced not only security concerns but the amount of paper being received and stored.

Payment: All agencies are required to make payment using some form of electronic funds transfer. This can be initiated by the bank or by your agency depending upon your internal policies.

## **OTHER**

### Statement/Billing Cycles:

Current customers may change and new customers may elect a statement/billing cycle. The default cycle for this contract is 30/14 cycle; which I would recommend using since there is an early payment incentive. Therefore, if you choose 14 days for payment and you process payments monthly within 7 days rather than 14, it will result in the speed of pay incentive being added to your rebate.

### Single Use Account:

The ability to establish a Single Use Account (SUA) is available under this contract. The rebate parameters apply to any spend through this program as well, however, they are reduced by .30% as this program requires file transfers, etc. and is not the same as using a credit card process. If you are not familiar with this type of program, your JPMC representative will provide further information.

### Annual Conference:

JPMC will continue to hold one annual local conference for participating agencies. These conferences are very helpful in sharing ideas for commencing programs, expanding programs, networking on problems and solutions, etc. I will provide as much advance notice as possible of the date and location and strongly encourage all participants and potential participants to attend; however, it will most likely be held in March.

### Webinars:

In addition to the annual conference, JPMC has continuous webinars related to card use, SDOL and the SUA program. Your program administrator will periodically receive invitations to these sessions via email. These sessions are usually one hour in length and can be accessed via your computer and a toll-free phone line. We encourage participation so you can stay up to date on industry trends, best practices and program expansion ideas.

### Demonstration Site:

JPMC has a demonstration site for all customers; private and public, however, it will allow customers to get a feel of the SDOL Gen2 system. Click on the following link (or copy and paste into your browser):

<https://sdg2demo.mastercard.com/sdng/login/login.do?cobrandHost=chase>

User ID is jpmquest; password is tryme123

## **FREQUENTLY ASKED QUESTIONS**

Finally, I am including in this document a FAQ section (Frequently Asked Questions) related to the rebate information, as well as a section specific to agencies that currently do not have a program. I've also included information as to how additional agencies may "piggyback" off this contract.

### **FAQ's – Rebate**

**Q:** How does the rebate process work?

**A:** Please review the rebate information provided under "CONTRACT CHANGES". The examples provided should help you better understand the rebate parameters. If not, discuss with your implementation specialist or program coordinator.

**Q:** When do I get my rebate check?

**A:** Rebates will be issued via ACH to an account designated by the agency no later than 90 days after the end of each contract year.

### **FAQ's – Agencies without a program in place**

**Q:** Why would I consider implementing a program?

**A:** A Procurement Card Program is designed to expand purchasing options. This program was established in order to provide a more rapid receipt of low cost goods, to reduce the paperwork and handling costs associated with the payment of these purchases, and to reduce processing time, the reliance on "personal" credit cards and if allowed, the paperwork associated with business related travel.

**Q:** How do I learn more about procurement cards before I make a decision to implement a program?

**A:** JPMC will be happy to explain the benefits of having a program to your agency as well as the specifics of this contract and how it may benefit your agency. In addition, JPMC presents webinars on the basics of cards held every Thursday at 2:00 p.m. Every Tuesday at 2:00 p.m., they host a webinar on their reporting tool, SDOL. Information regarding these two webinars is being included. Ongoing webinar information on other topics will be sent out as it becomes available.

**Q:** What steps do I need to take to start my program?

**A:** Listed below are some bullet points to consider for program startup. Keep in mind that your assigned JPMC Implementation Specialist and/or one of the Program Coordinators can assist you with any of these activities.

- Determine what type of purchases will be allowed; i.e. over the counter, phone, travel, registration, etc.
- Based on the type of purchases you allow, establish your MCC restrictions for your cardholders. You may establish one or more categories of restrictions for this purpose. MCC are similar to SIC codes that categorize the type of commodities/services they sell. Your implementation specialist will work with you on this process to be sure you understand what MCC codes mean, how they can be applied and how you can use them to restrict the type of purchases your cardholder can make. For example, Waukesha County has two categories of MCC restrictions; one for those individuals only making over the counter and phone purchases and another for those using them for booking travel and registration.
- Attend the webinars hosted by JPMC that specifically address how to make this program work best for you.
- Review the information provided regarding the potential security issue related to the statements. Let your implementation specialist know if you prefer the resolution noted above under "Security Issues".
- Work with your implementation specialist to determine what type of billing files are available for downloading to your general ledger.
- Determine how to make your billing file as "General Ledger ready" as possible so that all charges are expensed in the correct account(s). Decide whether you want to "Map" your expenditures based on MCC Codes, establish a default account for each cardholder's expenditures and/or have one or more persons



responsible for allocating the expenditures to the correct accounts. All this can be accomplished online via SDOL. Note: Mapping is probably the most time-consuming task during program set-up but the time is well worth the effort to streamline the accounting process. Waukesha County currently assigns a default account for each cardholder and then their business manager and/or other designated personnel reallocates the exceptions in SDOL; i.e. moves the expense from the default account to the account where it actually belongs.

- Determine who will be allowed to reallocate the expenditures and which cardholders they have the authority to access in SDOL.
- Prepare policy and procedure manuals for both your card administrator and your cardholders.
- Prepare training materials for your cardholders and reporting supervisors. Reporting supervisors are those individuals responsible for reviewing and signing off on the cardholder statements. (I am in the process of revising and updating my manual (cardholder and administrator). I will be happy to share them upon completion (I'm hoping no later than mid-February); however, I am currently not on Gen2 so some information is specific to the current version of SDOL. JPMC will also share sample materials with you.
- Begin with a small group of individuals that you know will benefit and use the cards on a regular basis. Continue to rollout to other individuals as needed. For example; we began with our Facilities Maintenance personnel, followed by the Parks personnel, highway personnel, etc. We then focused on office personnel who could benefit by using the card for purchases that our division doesn't normally get involved in; for example books and subscriptions. We then added personnel who travel and/or attend seminars on a rather frequent basis. Finally, we provided cards to department personnel involved in processing payments (currently \$5K or less), as well as the Accounts Payable Division for higher dollar payment processing.

**Q:** Once my program is up and running, what should I do?

**A:** Don't let your program become stagnant. Consider the following:

- Run reports on SDOL that show detailed usage by cardholder and merchant on at least a quarterly basis. This allows you to review for procedure adherence, assuring you are maintaining an average transaction size, etc. Merchant reports may also be helpful for vendor negotiations.
- Continue to look for ways to expand and improve your program. Review expenditures being made without the use of the procurement card to see if they can be shifted from payment vouchers, etc. to the credit card. Review small dollar purchase orders to see if they can be shifted to the credit card. Look for purchases made by your Purchasing Department where you are not adding any value to the purchase and shift these to a credit card. JPMC can assist you in this process as well.
- Attend conferences and webinars as they become available to network with your peers on problems, solutions, program expansion, etc.

### **FAQ'S – PIGGYBACKING**

If you were not part of the initial process but now wish to piggyback, you will need to email me with your contact information so that I can update the program files and forward the information to JPMC.

An implementation specialist will then contact you to discuss your implementation needs. Again, you will be required to submit your financial information and execute their Commercial Card Classic Agreement.

### **CLOSING STATEMENT**

I trust that this document provides you with all information needed to implement and / or transition your program to JPMC under the newly awarded contract. If not, please feel free to contact me via email – [cgreco@waukeshacounty.gov](mailto:cgreco@waukeshacounty.gov).

Sincerely,

Cindy Greco, CPPB  
Principal Buyer  
Purchasing Division