

**Request for Proposal (RFP)
RFP No. R702338
University of Arkansas, Fayetteville Razorback Transit Agreed Upon
Procedures Engagement**

PROPOSAL RELEASE DATE: February 8, 2019

PROPOSAL DUE DATE: February 28, 2019*

PROPOSAL DUE TIME: 2:30 PM CST

**SUBMIT ALL PROPOSALS TO: University of Arkansas
Business Services
Administration Bldg, Rm 321
1125 W Maple St
Fayetteville, AR 72701**

Signature Required For Proposal

Respondent complies with all articles of the Standard Terms and Conditions documents as counterpart to this RFP document, and with all articles within the RFP document. If Respondent receives the University's purchase order, Respondent agrees to furnish the items and/or services listed herein at the prices and/or under the conditions as indicated in the RFP.

Respondent Name:	
Mailing Address:	
City, State, Zip:	
Telephone:	
Email:	

Authorized Signature: _____

Date: _____

Typed/Printed Name of Signor: _____

Title: _____

***Under no circumstances will late bids be accepted. Failure to deliver by overnight carriers or other such methods shall not be taken into consideration. Bids MUST arrive and be time-stamped by the Procurement Office, located at 1125 West Maple Street, Administration Building 321, Fayetteville, AR 72701 prior to the time and date specified in the Request for Proposal.**

INTERGOVERNMENTAL/COOPERATIVE USE OF COMPETITIVELY BID PROPOSALS AND CONTRACTS:

In accordance with Arkansas Code Annotated § 19-11-249, any State public procurement unit may participate in any contract resulting from this solicitation with a participating addendum signed by the contractor and approved by the chief procurement officer of the procurement agency issuing this solicitation.

1. DESCRIPTION AND OVERVIEW OF RFP

The University of Arkansas Board of Trustees Audit and Fiscal Responsibility Committee is requesting proposals from public accounting firms to serve as the independent auditors to perform an Agreed Upon Procedures (AUP) engagement performed under the American Institute of Public Accountants' (AICPA) Statements on Standards for Attestation Engagements, section AT-C 215, *Agreed Upon Procedures Engagements*. The AUP is necessary to meet the financial data review reporting requirements, for the Federal Transit Administration (FTA) as set forth in its 2018 National Transit Database (NTD) Policy Manual for Reduced Reporters, of the Razorback Transit for the fiscal year ended June 30, 2018.

Razorback Transit is a component of the University of Arkansas, Fayetteville (UA) campus.

2. SCOPE OF WORK

UA is issuing this RFP to solicit Proposals for a term contract for a qualified public accounting firm pursuant to the specifications, terms, and conditions stated in this RFP.

3. COSTS / PRICING

Respondents must provide detailed/itemized retail pricing for each individual component, and/or the overall system, as listed on the Official Bid Price Sheet provided within this RFP document (see Appendix II).

Respondents must provide detailed/itemized audit service pricing for each individual component, or the overall system, as listed on the Official Bid Price Sheet provided within this RFP document (see Appendix II). If pricing is dependent on any assumptions that are not specifically stated on the Official Price Sheet, please list those assumptions accordingly on a separate spreadsheet and show detailed pricing.

Any additional pricing lists should remain attached to the Official Price Sheet for purposes of accurate evaluation. Pricing must be valid for one hundred eighty (180) days following the bid Proposal due date and time. UA will not be obligated to pay any costs not identified on the Official Price Sheet. Respondents must certify that any costs not identified by the Respondent, but subsequently incurred in order to achieve successful operation of the service, will be borne by the Respondent. Failure to do so may result in rejection of the Proposal.

4. RESPONDENT REFERENCES

Respondents must provide a minimum of three (3) references (including the organization's name, address, persons to contact, telephone numbers, and email addresses) located in the continental United States currently served by respondent. References are to be parties who can attest to the qualifications relevant to providing services requested. UA reserves the right to contact any references provided to evaluate the level of performance and customer satisfaction. **See Appendix I for format.**

5. RESPONDENT'S RESPONSIBILITY TO READ RFP

It is the Respondent's responsibility to thoroughly examine and read the entire RFP document, including any and all appendices. Failure of Respondents to fully acquaint themselves with existing conditions or the amount of goods and work involved will not be a basis for requesting extra compensation after the award of a Contract. This engagement is separate from any other engagement bidder may be currently pursuing with the University of Arkansas. Interpretation by and of the University of Arkansas is final.

6. PROJECTED TIMETABLE OF ACTIVITIES

The following schedule will apply to this RFP, but may change in accordance with the UA's needs:

[Date:] February 8, 2019 RFP released to prospective respondents
[Date:] February 15, 2019 4:00 PM CST - Last date/time UA will accept questions

[Date:] February 22, 2019	Last date UA will issue an addendum
[Date:] February 28, 2019	Proposal submission deadline 2:30 PM CST
[Date:] March 28, 2019	Notice of Intent to Award
Upon Award: March 28, 2019	Contract Negotiations Begin (upon intent to award)
Upon Contract Approval:	Service to Commence

7. INSTRUCTION TO RESPONDENTS

7.1 Respondents must comply with all articles of the Standard Terms and Conditions documents posted on our Hogbid website as counterpart to the RFP document, and any associated appendices, as well as all articles within the RFP document. UA is not responsible for any misinterpretation or misunderstanding of these instructions on the part of the Respondents.

7.2 Respondents must address each section of the RFP. An interactive version of the RFP document will be posted on our Hogbid website. Respondents can insert Proposals into the document provided, or create their own Proposal document making sure to remain consistent with the numbering and chronological order as listed in our RFP document. Ultimately, Respondents must “acknowledge” each section of our document in their bid Proposal.

In the event that a detailed Proposal is not necessary, the Respondent shall state ACKNOWLEDGED as the response to indicate that the Respondent acknowledges, understands, and fully complies with the specification. If a description is requested, please insert detailed response accordingly. Respondent’s required Proposal should contain sufficient information and detail for UA to further evaluate the merit of the Respondent’s Proposal. Failure to respond in this format may result in bid disqualification.

7.3 Any exceptions to any of the terms, conditions, specifications, protocols, and/or other requirements listed in this RFP must be clearly noted by reference to the page number, section, or other identifying reference in this RFP. All information regarding such exceptions to content or requirements must be noted in the same sequence as its appearance in this RFP.

7.4 Proposals will be publicly opened in the Purchasing Office, Room 321 Administration Building, The University of Arkansas, Fayetteville, Arkansas, 72701, at 2:30 p.m. CST, on the Proposal due date of February 28, 2019. All Proposals must be submitted in a sealed envelope with the Proposal number clearly visible on the OUTSIDE of the envelope/package. No responsibility will be attached to any person for the premature opening of a Proposal not properly identified.

Respondents must submit one (1) signed original, one (1) signed copy, and two (2) soft copies of their Proposal (i.e. CD-ROM or USB Flash drive) labeled with the Respondent’s name and the Bid Number, readable by UA, with the documents in Microsoft Windows versions of Microsoft Word, Microsoft Excel, Microsoft Visio, Microsoft PowerPoint, or Adobe PDF formats; other formats are acceptable as long as that format’s viewer is also included or a pointer is provided for downloading it from the Internet. Proposals must be received at the following location prior to the time and date specified within the timeline this RFP:

1. University of Arkansas
2. Business Services
3. Administration Bldg, Rm 321
4. 1125 W. Maple St
5. Fayetteville, Arkansas 72701

NOTE: No award will be made at bid opening. Only names of Respondents and a preliminary determination of Proposal responsiveness will be made at this time.

Additional Redacted Copy REQUIRED

Proprietary information submitted in response to this RFP will be processed in accordance with applicable State of Arkansas procurement law. Documents pertaining to the RFP become the property of UA and shall be open to public inspection **after** a notice of intent to award is formally announced.

It is the responsibility of the Respondent to identify all proprietary information included in their bid Proposal. The Respondent shall submit one (1) separate electronic copy of the proposal from which any proprietary information has been removed, i.e., a redacted copy (marked "REDACTED COPY"). The redacted copy should reflect the same pagination as the original, show the empty space from which information was redacted, and should be submitted on a CD or flash drive, preferably in a PDF format. Except for the redacted information, the redacted copy must be identical to the original hard copy submitted for the bid Proposal to be considered. The Respondent is responsible for ensuring the redacted copy on CD/flash drive is protected against restoration of redacted data. The redacted copy may be open to public inspection under the Freedom of Information Act ("FOIA") without further notice to the Respondent **after** a notice of intent to award is formally announced. If during a subsequent review process the University determines that specific information redacted by the respondent is subject to disclosure under FOIA, the respondent will be contacted prior to release of the information.

Respondents may deliver their responses either by hand or through U.S. Mail or other available courier services to the address shown above. **Include the RFP name and number on the outside of each package and/or correspondence related to this RFP. No call-in, emailed, or faxed Proposals will be accepted.** The Respondent remains solely responsible for insuring that its Proposal is received at the time, date, and location specified. UA assumes no responsibility for any proposal not so received, regardless of whether the delay is caused by the U.S. Postal Service, University Postal Delivery System, or some other act or circumstance. Proposals received after the time specified in this RFP will not be considered. **All Proposals received after the specified time will be returned unopened.**

7.5 For a Proposal to be considered, an official authorized to bind the Respondent to a resultant Contract must include signature in the blank provided on the RFP cover sheet. Failure to sign the Proposal as required will eliminate it from consideration.

7.6 All official documents, including Proposals and any responses to this RFP, and correspondence shall be included as part of any resultant Contract.

7.7 The UA Purchasing Official reserves the right to award a Contract or reject a Proposal for any or all line items of a bid received as a result of this RFP, if it is in the best interest of UA to do so. Bid Proposals may be rejected for one or more reasons not limited to the following:

- a. Failure of the Respondent to submit the bid Proposal(s) and bid Proposal copies as required in this RFP on or before the deadline established by UA.
- b. Failure of the Respondent to respond to a requirement for oral/written clarification, presentation, or demonstration in the Proposal.
- c. Failure to provide the bid security or performance security if required.
- d. Failure to supply Respondent references if required.
- e. Failure to sign an Official Bid Proposal Document.
- f. Failure to complete the Official Bid Price Sheet.
- g. Any wording by the Respondent in their Proposal or any response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a bid requirement in this RFP.

7.8 If the Respondent submits standard terms and conditions with the bid, and if any section of those terms is in conflict with the laws of the State of Arkansas, the State laws shall govern. Standard terms and conditions submitted may need to be altered to adequately reflect all the conditions of this RFP, the Respondent's Proposals and Arkansas State law.

8. EVALUATION AND SELECTION PROCESS

It is the intent of the UA to award a Contract to the Respondent(s) deemed to be the most qualified and responsible firm(s), who submits the best overall Proposal based on an evaluation of all Proposal responses. Selection shall be based on UA assessment of the Respondent's ability to provide adequate service, as determined by the evaluation committee elected to evaluate proposals. UA reserves the right to reject any or all Proposals or any part thereof, to waive informalities, and to accept the Proposal or Proposals deemed most favorable to UA. Where Contract negotiations with a Respondent do not proceed to an executed Contract within a time deemed reasonable by UA (for whatever reasons), UA may reconsider the Proposals of other Respondents and, if appropriate, enter into Contract negotiations with one or more of the other Respondents. Proposals shall remain valid and current for the period of ninety (90) days after the due date and time for submission of Proposals. Each Proposal will receive a complete evaluation and will be assigned a score of up to 100 points possible based on the following items:

- A. Overall cost equals a factor weight of 50%.
- B. Contractor's expertise equals a factor weight of 40%, as determined by the following items.
 - Contractor's experience with audits of comparable size.
 - References.
 - Training and certification of assigned support.
- C. Quality of Contractor's response to proposal requirements equals a factor weight of 10%.

Failure of the Respondent to provide in his/her proposal any information requested in this RFP may result in disqualification of his/her proposal and shall be the responsibility of the respondent.

9. CONTRACT TERM AND TERMINATION

The term ("Term") of any resulting Contract will begin upon date of Contract award. If mutually agreed upon in writing by the Contractor and UA, the term shall be the shorter of a one (1) year period or the successful completion of the AUP.

- a)** If at any time the services become unsatisfactory, UA will give thirty (30) days written notice to the Contractor. If at the end of the thirty (30) day period the services are still deemed unsatisfactory by the Board of Trustees, the Contract shall be cancelled by UA, Office of Business Affairs. Additionally, the Contract may be terminated, without penalty, by UA without cause by giving thirty (30) days written notice of such termination to Contractor.
- b)** Upon award, the agreement is subject to cancellation, without penalty, either in whole or in part, if funds necessary to fulfill the terms and conditions of this Contract during any biennium period of the Term (including any renewal periods) are not appropriated.
- c)** In no event shall such termination by UA as provided for under this section give rise to any liability on the part of UA, its trustees, officers, employees or agents including, but not limited to, claims related to compensation for anticipated profits, lost business opportunities, unabsorbed overhead, misrepresentation, or borrowing. UA's sole obligation hereunder is to pay Contractor for services ordered and received prior to the date of termination.

The terms, conditions, representations, and warranties contained in the Contract shall survive the termination of the Contract.

10. GENERAL INFORMATION FOR RESPONDENTS

10.1 Distributing Organization

This RFP is issued for the University of Arkansas Board of Trustees by the University of Arkansas System Internal Audit Department. The University Purchasing Official is the sole point of contact during this process. Only written communication is considered formal and can be supported throughout this process.

Respondent Questions and Addenda: Respondent questions concerning all matters of this RFP should be sent via email to:

Ellen Ferguson
Procurement Coordinator
Email: ellenf@uark.edu

Questions received via email will be directly addressed via email, and compilation of *all* questions and answers (Q&A), as well as any revision, update and/or addenda specific to this RFP solicitation will be made available on HogBid, the UA bid solicitation website: <http://hogbid/>. During the time between the bid opening and contract award(s), with the exception of Respondent's questions during this process, any contact concerning this RFP will be initiated by the issuing agency and not Respondent. Specifically, the persons named herein will initiate all contact.

Respondents shall not rely on any other interpretations, changes, or corrections. It is Respondent's responsibility to thoroughly examine and read the entire RFP document and any Q&A or addenda to this RFP. Failure of Respondents to fully acquaint themselves with existing conditions or information provided will not be a basis for requesting extra compensation after the award of a Contract.

10.2 Agency Employees and Agents

Contractor shall be responsible for the acts of its employees and agents while performing services pursuant to the Agreement. Accordingly, Contractor agrees to take all necessary measures to prevent injury and loss to persons or property while on the UA premises. Contractor shall be responsible for all damages to persons or property on and off campus caused solely or partially by Contractor or any of its agents or employees. Contractor's employees shall conduct themselves in a professional manner and shall not use UA's facilities for any activity or operation other than the operation and performance of services as herein stated. UA reserves the right to deny access to any individual. The following conduct is unacceptable for Contractor's employees and agents: foul language, offensive or distasteful comments related to age, race, ethnic background or sex, evidence of alcohol influence or influence of drugs, refusal to provide services requested, refusal to make arrangements for additional services needed and general rudeness. Contractor shall require standard criminal background checks on all employees of the Contractor's business in advance of the performance of any on-campus duties. Employees whose background checks reveal felony convictions of any type are to be either removed from all support activities on the UA campus or reported to UA for review and approval in advance of the performance of any on-campus duties.

10.3 Tobacco Free Campus

Smoking and the use of tobacco products (including cigarettes, cigars, pipes, smokeless tobacco, and other tobacco products), as well as the use of electronic cigarettes, by students, faculty, staff, contractors, and visitors, are prohibited at all times on and within all property, including buildings, grounds, and Athletic facilities, owned or operated by UA and on and within all vehicles on UA property, and on and within all UA vehicles at any location.

10.4 Disputes

Contractor and UA agree that they will attempt to resolve any disputes in good faith. Contractor and UA agree that the State of Arkansas shall be the sole and exclusive venue for any litigation or proceeding that may arise out of or in connection with this Contract. The Respondent acknowledges, understands and agrees that any actions for damages against UA may only be initiated and pursued in the Arkansas Claims

Commission, if at all. Under no circumstances does UA agree to binding arbitration of any disputes or to the payment of attorney fees, court costs or litigation expenses.

10.5 Conditions of Contract

Contractor shall at all times observe and comply with federal and Arkansas State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of the Contract which in any manner affect the completion of work. Contractor shall indemnify and save harmless UA and all its trustees, officers, employees and agents against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the Contractor. Contractor shall also obtain a full and properly executed release, indemnification, and hold harmless agreement of UA, its trustees, officers, employees, agents and volunteers, in a form acceptable to University, from each customer. Contractor shall retain the release from each customer for a minimum period of three (3) years, and furnish copies of any and all releases to UA upon its request.

To the extent Contractor shall have access to, store or receive student education records, Contractor agrees to abide by the limitations on use and re-disclosure of such records set forth in the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, and 34 CFR Part 99. Contractor agrees to hold student record information in strict confidence and shall not use or disclose such information except as authorized in writing by UA or as required by law. Contractor agrees not to use the information for any purpose other than the purpose for which the disclosure was made. Upon termination, Contractor shall return or destroy all student education record information within thirty (30) days.

When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. Instructure expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that system meets the statutory requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating systems) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.

ACCORDINGLY, CONTRACTOR SHALL EXPRESSLY REPRESENT AND WARRANT to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (“VPAT”) or similar documentation to demonstrate compliance with 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating systems) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications) that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

- Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means;
- Presenting information, including prompts used for interactive communications, in formats intended for non-visual use;
- After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired;
- Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means;

- Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact;
- Integrating into networks used to share communications among employees, program participants, and the public; and
- Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

If the information technology product or system being offered does not completely meet these standards, the Respondent must provide an explanation within the VPAT detailing the deviation from these standards. State agencies cannot claim a product as a whole is not commercially available because no product in the marketplace meets all the standards. If products are commercially available that meet some but not all of the standards, the agency must procure the product that best meets the standards or provide written documentation supporting selection of a different product.

10.6 Contract Information

Respondents should note the following regarding the State's contracting authority, and amend any documents accordingly. Failure to conform to these standards may result in rejection of Respondent's bid:

A. The State of Arkansas may not contract with another party to perform any of the following:

1. Pay any penalties or charges for late payment or any penalties or charges which in fact are penalties for any reason.
2. Indemnify and defend that party for liability and damages. Under Arkansas law UA may not enter into a covenant or agreement to hold a party harmless or to indemnify a party from prospective damages.
3. Pay all sums that become due under a contract upon default.
4. Pay damages, legal expenses, attorneys' fees or other costs or expenses of any party.
5. Conduct litigation in a place other than the State of Arkansas.
6. Agree to any provision of a contract that violates the laws or constitution of the State of Arkansas.

B. A party wishing to contract with UA should:

1. Remove any language from its contract which grants to it any remedies other than:
 - The right to possession.
 - The right to accrued payment.
 - The right to expenses of de-installation.
2. Include in its contract that the laws of the State of Arkansas govern the contract.
3. Acknowledge in its contract that contracts become effective when awarded by UA Purchasing Official.

10.7 Reservation

This RFP does not commit UA to award a contract, to pay costs incurred in the preparation of a Proposal to this request, or to procure or contract for services or supplies. UA reserves the right to accept or reject (in its entirety), any Proposal received as a result of this RFP, if it is in the best interest of UA to do so. In responding to this RFP, respondents recognize that UA may make an award to a primary Respondent; however, UA reserves the right to purchase like and similar services from other agencies as necessary to meet operation requirements.

10.8 Qualifications of Respondent

UA may make such investigations as deems necessary to determine the ability of Respondents to meet all requirements as stated within this RFP, and Respondent shall furnish to UA all such information and data for this purpose that UA may request. UA reserves the right to reject any bid if the evidence

submitted by, or investigations of, such Respondent fails to satisfy UA that such Respondent is properly qualified to carry out the obligations of the Contract.

10.9 Non Waiver of Defaults

Any failure of UA at any time, to enforce or require the strict keeping and performance of any of the terms and conditions of the Contract shall not constitute a waiver of such terms, conditions, or rights, and shall not affect or impair same, or the right of UA at any time to avail itself of same.

10.10 Independent Parties

Contractor acknowledges that under the Contract it is an independent vendor and is not operating in any fashion as the agent of UA. The relationship of Contractor and UA is that of independent contractors, and nothing in this contract should be construed to create any agency, joint venture, or partnership relationship between the parties.

10.11 Governing Law

This RFP, any resulting Contract and all performance thereunder, transactions and subsequent amendments thereto between Respondent(s) or Contractor(s) and UA shall be governed and construed in all aspects in accordance with the laws of the State of Arkansas without regard to its choice of law principles (including without limitation any and all disputes, claims, counterclaims, causes of action, suits, rights, remedies, promises, obligations, demands, and/or defenses related thereto that may be asserted by either party). The parties agree that the State of Arkansas shall be the sole and exclusive venue and jurisdiction for any litigation or proceeding that may arise out of or in connection with this RFP or any Contract with UA. The parties waive any objection to the laying of jurisdiction and venue of any claim, action, suit or proceeding arising out of the Contract or any transaction contemplated hereby, in the State of Arkansas, and hereby further waive and agree not to plead or assert that any claim, action, suit or proceeding has been brought in an inconvenient forum. Nothing contained herein shall be deemed or construed as a waiver of any immunities to suit available to UA or its trustees, officials, employees and representatives. In no event shall UA or any of its current and former trustees, officials, representatives and employees (in their official or individual capacities) be liable to Respondent(s) or Contractor(s) for special, indirect, punitive, or consequential damages, attorneys' fees or costs or any damages constituting lost profits or lost business opportunities.

10.12 Proprietary Information

Proprietary information submitted in response to this bid will be processed in accordance with applicable UA procurement procedures. All material submitted in response to this RFP becomes the public property of the State of Arkansas and will be a matter of public record and open to public inspection subsequent to bid opening as defined by the Arkansas Freedom of Information Act. Respondent is hereby cautioned that any part of its bid that is considered confidential, proprietary, or trade secret, must be labeled as such and submitted in a separate envelope along with the bid, and can only be protected to the extent permitted by Arkansas law.

Note of Caution: Respondents should not attempt to mark the entire proposal as "proprietary" or submit letterhead or similarly customized paper within the proposal to reference the page(s) as "Confidential" unless the information is sealed separately and identified as proprietary. Acceptable proprietary items may include references, resumes, and financials or system/software/hardware manuals. **Costs and pricing terms are not considered as proprietary.**

10.13 Disclosure

A. Contract and Grant Disclosure

Disclosure is a condition of this contract and the University of Arkansas cannot enter into any contract for which disclosure is not made. Arkansas's Executive Order 98-04 requires all potential contractors disclose whether the individual or anyone who owns or controls the business is a member of the Arkansas General Assembly, constitutional officer, state board or commission member, state

employee, or the spouse or family member of any of these. If this applies to Respondent's business, Respondent must state so in writing.

B. Respondent Conflict of Interest Form

Only when applicable, for any RFP that requires the disclosure of existing conflict of interest circumstances, Respondent should complete the *Bidder Conflict of Interest Form* and submit with bid Proposal. It is the responsibility of Respondent desiring to be considered for a bid award to complete and return this form, along with the *Contract and Grant Disclosure and Certification Form*. The purpose of these forms is to give Respondent an opportunity to disclose any actual or perceived conflicts of interest. The determination of UA regarding any questions of conflict of interest shall be final.

10.14 Proposal Modification

Proposals submitted prior to the Proposal opening date may be modified or withdrawn only by written notice to UA. Such notice must be received by the UA Purchasing Official prior to the time designated for opening of the Proposal. Respondent may change or withdraw the Proposal at any time prior to Proposal opening; however, no oral modifications will be allowed. Only letters or other formal written requests for modifications or corrections of a previously submitted Proposal that are addressed in the same manner as the Proposal and that are received prior to the scheduled Proposal opening time will be accepted. The Proposal, when opened, will then be corrected in accordance with such written requests, provided that the written request is contained in a sealed envelope that is clearly marked with the RFP number and "Modification of Proposal". No modifications of the Proposal will be accepted at any time after the Proposal due date and time.

10.15 Prime Contractor Responsibility

Single and joint Respondent bids and multiple bids by Respondents are acceptable. However, the selected Respondent(s) will be required to assume prime contractor responsibility for the Contract and will be the sole point of contact with regard to the award of this RFP.

10.16 Period of Firm Proposal

Prices for the proposed services must be kept firm for **at least one hundred eighty (180) days** after the Proposal Due Date specified on the cover sheet of this RFP. Firm Proposals for periods of less than this number of days may be considered non-responsive. The Respondent may specify a longer period of firm price than indicated here. If no period is indicated by the Respondent in the Proposal, the price will be firm for one hundred eighty (180) days or until written notice to the contrary is received from the Respondent, whichever is longer.

10.17 Errors and Omissions

The Respondent is expected to comply with the true intent of this RFP taken as a whole and shall not avail itself of any errors or omissions to the detriment of the services. Should the Respondent suspect any error, omission, or discrepancy in the specifications or instructions, the Respondent shall immediately notify the UA Purchasing Official, in writing, and UA shall issue written instructions to be followed. The Respondent is responsible for the contents of its Proposal and for satisfying the requirements set forth in the RFP.

10.18 Award Responsibility

The resultant contract will be administered by the University of Arkansas System Internal Audit Department, with the assistance of the University of Arkansas Purchasing Department, for the University of Arkansas, Fayetteville campus.

Contract(s) will be awarded to the Respondent(s) whose proposal adheres to the conditions set forth in the RFP, and in the sole judgment of the University of Arkansas System, best meets the overall goals and financial objectives of the University of Arkansas System. A resultant contract will not be assignable without prior written consent of both parties.

The UA Purchasing Official will be responsible for award and administration of any resulting Contract(s). UA reserves the right to reject any or all bids, or any portion thereof, to re-advertise if deemed necessary, and to investigate any or all bids and request additional information as necessary in order to substantiate the professional, financial and/or technical qualifications of the Respondent(s).

Contract(s) will be awarded to the Respondent(s) whose proposal adheres to the conditions set forth in the RFP, and in the sole judgment of UA, best meets the overall goals and financial objectives of UA. A resultant Contract will not be assignable without prior written consent of both parties.

10.19 Confidentiality and Publicity

From the date of issuance of the RFP until the opening date, the Respondent must not make available or discuss its Proposal, or any part thereof, with any trustee, official, employee or agent of UA. The Respondent is hereby warned that any part of its Proposal or any other material marked as confidential, proprietary, or trade secret, can only be protected to the extent permitted by law. All material submitted in response to this RFP becomes the property of UA.

News release(s) by a Respondent pertaining to this RFP or any portion of the project shall not be made without prior written approval of the UA Purchasing Official. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the Respondent's bid. The UA Purchasing Official will not initiate any publicity relating to this procurement action before the Contract award is completed.

Employees of the Contractor may have access to records and information about UA processes, employees, including proprietary information, trade secrets, and intellectual property to which UA holds rights. Contractor agrees to keep all such information strictly confidential and to refrain from discussing this information with anyone else without written authorization from an authorized official of UA.

10.20 Respondent Presentations

UA reserves the right to, but is not obligated to, request and require that final contenders determined by the Evaluation Committee provide a formal presentation of their Proposal at a date and time to be determined by the Evaluation Committee. Respondents are required to participate in such a request if the UA chooses to engage such opportunity.

10.21 Excused Performance

Notwithstanding any other provisions in this RFP or any resultant Contract, in the event that the performance of any terms or provisions of this RFP or any resultant Contract shall be delayed or prevented because of compliance with any law, decree, or order of any governmental agency or authority, either local, state, or federal, or because of riots, war, acts of terrorism, public disturbances, unavailability of materials meeting the required standards, strikes, lockouts, differences with workmen, fires, floods, Acts of God, or any other reason whatsoever which is not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence, such party is unable to prevent (the foregoing collectively referred to as "Excused Performance"), the party so interfered with may at its option suspend, without liability, the performance of its obligations during the period such cause continues, and extend any due date or deadline for performance by the period of such delay, but in no event shall such delay exceed six (6) months.

10.22 Funding Out Clause

If, in the sole discretion of UA, funds are not allocated to continue this Agreement, or any activities related herewith, in any future period, then UA will not be obligated to pay any further charges for services, beyond the end of the then current period. Contractor will be notified of such non-allocation at the earliest possible time. No penalty shall accrue in the event this section is exercised. This section shall not be construed so as to permit UA to terminate the Agreement in order to acquire similar service from a third party.

10.23 Indicia

The Respondents and the Contractor acknowledge and agree that UA owns the rights to its name and its other names, symbols, designs, and colors, including without limitation, the trademarks, service marks, designs, team names, facilities images, uniforms, nicknames, abbreviations, city/state names in the appropriate context, slogans, logo graphics, mascots, seals, color schemes, trade dress, and other symbols associated with or referring to UA that are adopted and used or approved for use by UA (collectively the "Indicia") and that each of the Indicia is valid. Neither any Respondent nor Contractor shall have any right to use any of the Indicia, derivative, or any similar mark as, or a part of, a trademark, service mark, trade name, fictitious name, domain name, company or corporate name, a commercial or business activity, or advertising or endorsements anywhere in the world without the express prior written consent of an authorized representative of UA. Any domain name, trademark or service mark registration obtained or applied for that contains the Indicia or any similar mark upon request shall be assigned or transferred to UA or its Board of Trustees without compensation.

10.24 RFP Interpretation

Interpretation of the wording of this document shall be the responsibility of UA and that interpretation shall be final.

10.25 Time is of the Essence

Respondent and UA agree that time is of the essence in all respects concerning this RFP and any Contract and performance therein

10.26 Formation of the Contract

At its option, UA may take either one of the following actions in order to create a Contract between the UA and the selected Respondent:

- A.** Accept a Proposal as written by issuing a written notice to the selected Respondent, which refers to the Request for Proposal and accept the Proposal submitted in response to it.
- B.** Enter negotiations with one or more Respondents in an effort to reach a mutually satisfactory written agreement, which will be executed by all parties and will be based upon this Request for Proposal, the Proposal submitted by one or more Respondents and any negotiations concerning these documents.

Because UA may use alternative (A) above, each Respondent shall accept the contents of this RFP which will be incorporated into any final Contract documents, and will include standard UA terms and conditions.

Notwithstanding any terms or conditions to the contrary, nothing within the Contractor's proposal shall constitute a waiver of any immunities to suit legally available to UA, its trustees, officers, employees or agents, including, but not limited state and federal constitutional and statutory sovereign immunity of the State of Arkansas and its officials.

NOTE: The successful bidder may be required to enter into a Professional Services or Technical/General Services Contract that will require approval prior to any work conducted. See the following link for reference: <http://procurement.uark.edu/resources/documents/TGSForm.pdf>

10.27 Permits/Licenses and Compliance

Contractor covenants and agrees that it shall, at its sole expense, procure and keep in effect all necessary permits and licenses required for its performance of obligations under this RFP, and shall post or display in a prominent place such permits and/or notices as required by law. Contractor is responsible for compliance with all applicable laws and regulations, including but not limited to, OSHA requirements as well as any Fair Labor Standards Act requirements pertaining to compensation of Contractors employees or subcontractor (if any) working on the project; further, upon request, Contractor shall provide copies of all such permits or licenses to UA.

10.28 Web Site Accessibility

Respondent represents that web-based services substantially comply with the accessibility guidelines of Section 508 of the Rehabilitation Act of 1973 and with Web Content Accessibility Guidelines (“WCAG”) Version 2.0 Level AA, and agrees to promptly respond to and resolve any accessibility complaints received from UA.

10.29 Prohibition Against Boycotting Israel

In accordance with Ark. Code Ann. § 25-1-503, Respondent hereby certifies to UA that Respondent: (a) is not currently engaged in a boycott of Israel; and (b) agrees for the duration of any Contract not to engage in any boycott of Israel. A breach of this certification will be considered a material breach of contract. In the event that Respondent breaches this certification, UA may immediately terminate any Contract without penalty or further obligation and exercise any rights and remedies available to it by law or in equity.

10.30 Campus Restrictions

Contractor shall not permit tobacco, electronic cigarettes, alcohol, or illegal drugs to be used by any of its officers, agents, representatives, employees, subcontractors, licensees, partner organizations, guests or invitees while on the campus of UA. Respondents further agrees that it will not permit any of its officers, directors, agents, employees, contractors, subcontractors, licensees, partner organizations, guests or invitees to bring any explosives, firearms or other weapons onto the campus of UA, except to the extent expressly permitted by UA policies and the Arkansas enhanced concealed carry laws. Respondent shall not allow any of its officers, directors, agents, employees, contractors, subcontractors, licensees, partner organizations, guests or invitees that are registered sex offenders to enter the campus of the University. Respondent agrees that it will not permit any of its officers, directors, agents, employees, contractors, subcontractors, licensees, partner organizations, guests or invitees who have been convicted of a felony involving force, violence, or possession or use of illegal drugs to work on this campus. Respondent will fully comply with all applicable UA policies, and federal, state and local laws, ordinances, and regulations.

10.31 Performance Standards

Contractor acknowledges that the use of performance based standards on any resultant Contract by UA are required pursuant to Arkansas Code Annotated § 19-11-267. Contractor shall provide prompt, responsive, courteous and high-quality products, services and customer service in the performance of its obligations under this RFP and any resulting Contract with UA. Contractor shall warrant that the equipment placed on the UA campus shall be of good quality, safe and suitable for their intended use by customers and properly installed. Contractor acknowledges that all products and services provided to UA or tailgate customers on the UA campus are to be of high quality and rendered in a timely and professional manner. Contractor represents and warrants that it will provide all products and services related to any resulting Contract in a manner consistent with industry standards. In addition, Contractor shall respond to all production, service, maintenance and customer service and support requests by in a polite and timely manner. Further, Contractor recognizes that failure to perform hereunder may cause UA financial or reputational harm or damages or require it to acquire replacement services on short notice. Therefore, any failure to provide the agreed upon products or services to UA or customers at the quality, times or in the manner specified, or for the duration required hereunder shall constitute a breach of any Contract between Contractor and UA subject to termination.

10.32 Background Checks

Contractor shall be responsible to obtain and to pay for background checks (including, but not limited to, checks for registered sex offenders) for *all* individuals performing any services related to this RFP on the UA campus, whether on a paid or volunteer basis, in a manner requested by UA and consistent with procedures established by UA for its background checks. No person may perform any duties or services for Contractor on the UA campus under any circumstances whatsoever until a satisfactory background check has been completed for each individual and copies furnished to UA.

10.33 Service Expectations

Contractor and its officers, employees, agents, volunteers, subcontractors and invitees understand that they are working at an institution of higher learning, and are required to conduct themselves in a manner that is commensurate with that environment. Contractor, its officers, employees, agents, volunteers, subcontractors and invitees shall do all things reasonably necessary or required by UA to maintain the high standard of quality and management for the products and services outlined in this RFP and any resulting Contract. Contractor agrees that it shall hire, train, supervise and regulate all persons employed by it in the conduct of the related services so that they are aware of, and practice, standards of cleanliness, courtesy and service required and customarily followed in the conduct of similar operations. Contractor shall not employ any current student-athletes. Contractor shall be responsible for the conduct of its officers, employees, agents, volunteers, subcontractors, vendors, guests and other representatives including, without limitation, training and informing them that violations of UA policy, theft, violence, profanity, unlawful discrimination, boisterous or rude conduct, intoxication, mishandling funds, and offensive or disrespectful behavior toward spectators, customers and UA trustees, officials, employees, agents, licensees, contractors, subcontractors, vendors, students, alumni and guests is impermissible, will not be tolerated and could result in their removal from UA's campus.

10.34 No Assignment and Sublicensing

Respondents may not assign or sublicense any resulting Contract without the prior written consent of an authorized representative of UA as provided by UA's Board of Trustee Policy.

10.35 PCI DSS Compliance

Any third-party service provider utilized by the Contactor that engages in electronic commerce on behalf of the UA or other services contemplated under this RFP or any resulting Contract with UA, shall protect all card holder data ("CHD") and sensitive authentication data ("SAD") in accordance with the Payment Card Industry Data Security Standard ("PCI DSS"), if applicable, or using secure standard financial industry practices, if PCI DSS standards are not applicable. UA reserves the right at any time to request either proof of PCI DSS compliance or a certification (from a recognized third-party security auditing firm) verifying that the Contactor (and/or any third party service provider utilized by the Contactor) uses secure standard financial industry practices in its financial transactions, and maintains ongoing compliance under PCI DSS standards and/or secure financial industry practices as they change over time. The Contactor will comply with all laws, rules and regulations relating to the access, transfer, storage, processing, collection, use, protection and breach of all CHD and SAD. The Contactor shall not share with the University or grant the University access to any CHD or SAD accessed, transferred, stored, processed, collected, used or transacted by the Contactor or any third party provider utilized by the Contactor related to the purchase, sale, resale, offer to resell, return, credit, or reserving the rights to any services contemplated under the RFP or any resulting Contract with UA. The Contactor further acknowledges that neither it nor any third-party service provider utilized by the Contactor shall be granted access to UA's system in connection with any financial transaction under the Contract, and will not access, transfer, store, process, collect, use or otherwise transmit CHD or SAD using UA's systems. The Contactor will provide their Attestation of PCI Compliance and network scans to UA on an annual basis. The Contactor will give immediate notice to UA of any actual or suspected unauthorized disclosure of, access to or other breach of the CHD or SAD. The Contactor will indemnify UA for any third-party claim brought against UA arising from a breach by the Contactor of the representations or obligations of this section. This section and its indemnity will survive the termination of this RFP and any resulting Contract between Contractor and UA.

11. INDEMNIFICATION AND INSURANCE

The successful Respondent or Contractor shall indemnify, defend, and hold harmless University, its trustees, officers, directors, employees, agents and volunteers from and against any and all losses, costs,

expenses, damages, and liabilities resulting from or relating to: (a) any breach by Contractor or Contractor's members, officers, employees, subcontractors, vendors, and agents of any representation, warranty, or other provision of this RFP, any resulting Contract or any document delivered by Contractor in connection with the products and services contemplated by this RFP; (b) any damage to property or bodily injury, including, but not limited to illness, paralyzation, dismemberment and death, arising from or relating to any products or services provided by the Contractor or uses of the UA campus by Contractor, its officers, employees, agents, volunteers, customers, subcontractors or guests under this RFP or any resulting Contract, or any other activities conducted on the UA campus (whether such activity is authorized or unauthorized by UA); (c) any use of or damage to UA property and any defect in any building and improvement thereon, including, but not limited to, any damage to any parking lots arising from or relating to any permitted uses under this RFP or any resulting Contract; (d) any act or omission of Contractor or any of its officers, agents, employees, invitees, or subcontractor's employees and invitees; and (e) any violation by Contractor of any applicable NCAA rules or regulations or state, federal or local laws.

The obligation to indemnify UA shall include, but shall not be limited to, the obligation to pay any and all losses, costs, expenses, attorneys' fees, damages, and liabilities incurred, as well as any attorneys' fees and court costs (including, but not limited to, any appellate or appellate-related proceedings). At no cost or expense to UA, UA's in-house counsel may participate in any proceedings. The indemnification obligations under this RFP or any resulting Contract shall survive the expiration or termination of such RFP or resulting Contract.

The successful Respondent or Contractor shall purchase and maintain at Contractor's expense, the following minimum insurance coverage for the period of any Contract. Certificates evidencing the effective dates and amounts of such insurance must be provided to UA:

- Workers Compensation: As required by the State of Arkansas.
- Comprehensive General Liability, with no less than \$1,000,000 each occurrence/\$2,000,000 aggregate for bodily injury, products liability, contractual liability, and property damage liability.
- Comprehensive Automobile Liability, with no less than combined coverage for bodily injury and property damage of \$1,000,000 each occurrence. Policies shall be issued by an insurance company authorized to do business in the State of Arkansas and shall provide that policy may not be canceled except upon thirty (30) days prior written notice to UA.

Any policy shall cover any vehicle being used in the management, operation, or delivery deriving from Contractor's operations on UA's campus. Contractor shall also be responsible for payment of workers' compensation insurance for all Contractor's employees as required by the State of Arkansas.

Contractor shall furnish UA with a certificate(s) of insurance effecting coverage required herein. Failure to file certificates or acceptance by UA of certificates which do not indicate the specific required coverages shall in no way relieve the Contractor from any liability under the Contract, nor shall the insurance requirements be construed to conflict with the obligations of Contractor concerning indemnification. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to UA, its trustees, officials, employees, agents or volunteers. Proof of Insurance must be included in bid Proposal.

Contractor shall, at their sole expense, procure and keep in effect all necessary permits and licenses required for its performance under the Contract, and shall post or display in a prominent place such permits and/or notices as are required by law.

12. CONTRACTOR OVERVIEW

The Contractor shall provide a general overview of its business including the following information:

- Foundation date
- Description of core activities
- Major company and distributor locations
- Total number of clients
- Total number of clients in higher education
- Current financial status and revenues – Overview only

13. BEST AND FINAL OFFER

UA reserves the right to request an official “Best and Final Offer” from bid Respondents if it deems such an approach in the best interest of the institution. In general, the “Best and Final Offer” will consist of an updated cost Proposal in addition to an opportunity for the Respondent to submit a final response to specific questions or opportunities identified in subsequent discussions related to the original Proposal response submitted to UA. If the UA chooses to invoke a “Best and Final Offer” option, all responses will be re-evaluated by incorporating the information as requested in the official “Best and Final Offer” document, including costs and answers to specific questions presented in the document. The specific format for the official “Best and Final Offer” request will be determined during evaluation discussions. The official request for a “Best and Final Offer” will be issued by the UA Procurement Department.

14. SPECIFICATIONS / GOALS AND DELIVERABLES

Each Proposal should contain the following information at a minimum:

- Number of years in public accounting;
- Number of employees and experience in office providing services;
- Access to the organization’s most recent external peer review report;
- Listing of at least three audit client references with specific names and phone numbers; and
- Names, levels and resumes of the specific employees who will provide services under this contract with the University of Arkansas.

The bidder must bid on the Agreed Upon Procedures (AUP) engagement to be performed under the American Institute of Public Accountants’ (AICPA) Statements on Standards for Attestation Engagements, section AT-C 215, *Agreed Upon Procedures Engagements*. The AUP is necessary to meet the financial data review reporting requirements, for the Federal Transit Administration (FTA) as set forth in its 2018 National Transit Database (NTD) Policy Manual for Reduced Reporters, of the Razorback Transit for the fiscal year ended June 30, 2018.

15. SERVICE PERFORMANCE STANDARDS

Service Criteria	Acceptable Performance	Compensation / Damages
Adherence to University Requirements	Reference standard terms, conditions and all articles of RFP	Termination of Contract: Reference section 7 of RFP. This termination clause will apply for insufficient performance of services by vendor at the sole discretion of the University of Arkansas, Fayetteville.
Scope of Services	Reference Sections 1 & 2 of RFP: Description, Overview and Scope	Termination of Contract: Reference section 7 of RFP. This termination clause will apply for insufficient performance of services by vendor at the sole discretion of the University of Arkansas, Fayetteville.
Specifications, Goals and Deliverables	Reference section 13 of RFP: Specifications/Goals and Deliverables	Termination of Contract: Reference section 7 of RFP. This termination clause will apply for insufficient performance of services by vendor at the sole discretion of the University of Arkansas, Fayetteville.

APPENDIX I: Respondent Information/Reference

Respondent must provide the following information as part of this proposal:

1. Respondent Representative
 - Contact Name
 - Telephone
 - Email Address
 - Address

2. References of your current customer(s) as specified in **Section 4** of this RFP document:
 - a. Company/Organization Name:
 - Contact Name
 - Telephone
 - Email Address
 - Address

 - b. Company/Organization Name:
 - Contact Name
 - Telephone
 - Email Address
 - Address

 - c. Company/Organization Name:
 - Contact Name
 - Telephone
 - Email Address
 - Address

APPENDIX II: Official Price Sheet

Reference Section 3-Costs / Pricing for further instruction, and the corresponding Bid Price Sheet provided below. Please complete the Price Sheet as provided and submit within your proposal. If pricing is dependent on any assumptions that are not specifically stated on the Official Price Sheet, please list those assumptions accordingly on a separate spreadsheet and show detailed pricing. Any additional pricing lists should remain attached to the Official Price Sheet for purposes of accurate evaluation. **Pricing must be valid for one hundred eighty (180) days following the bid Proposal due date and time.**

UA will not be obligated to pay any costs not identified accordingly. The Respondent must certify that any costs not identified by the Respondent, but subsequently incurred in order to achieve successful operation of the service, will be borne by the Respondent. Failure to do so may result in rejection of the bid.

<i>ITEM</i>	<i>DESCRIPTION</i>	<i>TOTAL</i>
1	Staff Cost	\$
2	Reimbursable	\$
<i>Grand Total</i>		\$

APPENDIX III: Supporting Guidance

Reference attachments A and B for supporting guidance.



**Background for Performing “Financial Data Reviews” Under the 2018 NTD Policy Manual
 for Full Reporters and 2018 NTD Reduced Reporter Policy Manual and Related
 Illustrative Agreed-Upon Procedures Reports
 Issuance Date: October 11, 2018**

Transit agencies are required to annually report certain information to the Department of Transportation (DOT) Federal Transit Administration (FTA) National Transit Database (NTD). In April 2018, the FTA reminded transit agencies of updated NTD reporting requirements and related auditor reporting for the 2018 NTD Report Year. The communication highlighted the following two changes:

- A "financial data review" as described in the "Declarations and Requests" section of the current NTD Policy Manual must be completed every ten report (fiscal) years and agencies should schedule the review by an independent auditor as soon as possible following the agencies' 2018 fiscal year end (assuming such an engagement was not performed in the last ten years).
- The financial data review now applies to Reduced Reporters in addition to Full Reporters.

While the NTD Policy Manual for Full Reporters has historically required a financial data review requirement for new accounting systems or for significant system changes, the engagements have not been performed on a regular basis. Additionally, there was no previous requirement for a financial data review for Reduced Reporters. Therefore, the FTA communication generated questions by both transit agencies and their auditors, primarily due to a lack of clarity surrounding the auditor requirements and the illustrative auditor report provided by FTA in the 2018 NTD Policy Manuals for Full Reporters and Reduced Reporters.

The AICPA Governmental Audit Quality Center (GAQC) reviewed the illustrative auditor report for this engagement included in both 2018 NTD policy manuals and noted that the illustrations do not meet AICPA professional standards for either an examination, a review, or an agreed-upon procedures (AUP) engagement. Therefore, representatives of the GAQC met with FTA staff to clarify the intended objective of the financial data review engagement and to discuss reporting approaches that could be used to achieve the FTA objectives.

FTA has agreed to accept an AUP engagement performed under the AICPA's Statements on Standards for Attestation Engagements, section AT-C 215, Agreed Upon Procedures Engagements, as an alternative to the illustrative financial data review reports included in the NTD policy manuals. The attachment to this guidance document includes the illustrative AUP reports that were developed. FTA has reviewed and agreed with the management assertion and the suggested agreed-upon procedures included in these illustrative reports. Therefore, FTA is considered a specified party to the AUP engagement.

The following is intended to assist practitioners performing these AUP engagements including a discussion of the suggested management assertions, background information to assist in understanding the various FTA forms and other references in the AUP report, and two attachments containing illustrative AUP reports (one for Full Reporters and one for Reduced Reporters).

The management assertion and suggested procedures were developed assuming that the practitioner performing the AUP engagement has also audited the transit agency financial statements. If that is not the case, the practitioner should consider the impact on the AUP engagement and related reporting.

The GAQC is posting this guidance document and the illustrative reports on its Web site on a [new GAQC FTA-NTD Web page](#) and leaving it open to the public so that both auditors and transit agencies can easily access it. Due to the timing of the issuance of this reporting guidance, FTA recognizes that there may be challenges for June 30, 2018, year-end transit agencies to transmit this AUP engagement by the October 31, 2018, deadline. Therefore, FTA will consider granting extensions on a case-by-case basis upon transit agency request. Any requests for extensions and/or questions about the underlying FTA requirements should be directed to the NTD Operations Staff at NTDHelp@dot.gov or at 1-888-252-0936.

Background

Both the [NTD Policy Manual for Full Reporters](#) and the [NTD Reduced Reporter Policy Manual](#) include Standardized Reporting Requirements that state “All agencies must conform to uniform reporting standards. This includes timely reporting, accurate data collection, and uniform accounting systems.” The Financial Data Requirements section of both policy manuals state that “All transit agencies must use accrual accounting methods to report financial data. Additionally, transit accounting systems must follow or directly translate to the USOA.” The Uniform System of Accounts (USOA) is the basic reference document for the NTD. It contains the accounting structure required by Federal Transit laws. The USOA Section 1.2, Accounting Records, states:

The main purpose of the USOA is to ensure that data definitions are uniform for all transit agencies. Each transit agency must maintain the accounts and records necessary to meet its own internal information requirements as well as those specified in the USOA. In some cases, the USOA will not require all information that may be needed for an agency’s internal management purposes. Accordingly, a transit agency is not required to maintain its internal accounting records solely as described in the USOA. Instead, each transit agency should customize its internal system of accounts to meet its own management requirements and also ensure that it is able to translate accounts to the prescribed USOA.

FTA recommends that reporting agencies maintain records in a manner that supports ready analysis by the prescribed accounts and permits preparation of financial and operating data directly from such records at the end of the fiscal year. Any summary and/or translation to the prescribed accounts must be consistent with the following:

- *The reporting agency has developed reported data using Accrual Accounting, as defined in USOA Section 1.4.*

- *The reporting agency has followed the accounting guidance specified throughout the USOA document.*
- *The reporting agency has cross-walked its chart of accounts to the object classes (sources of funds, expenses, liabilities and assets) employed in the USOA and has adequately documented this cross-walk.*

USOA Section 1.4, Accrual Accounting, defines the basis of accounting for NTD reporting. The Financial Data Requirements section of the NTD policy manuals defines accrual accounting as Generally Accepted Accounting Principles (GAAP). GAAP is further documented in the Financial Data Requirements as follows:

NTD reporting requirements for financial data largely follow GAAP. FTA USOA is not a self-contained financial system that addresses every possible NTD transaction and situation. Instead, the NTD program is a system of accounts that complies with GAAP and Standards of Governmental Accounting and Financial Reporting. However, small differences do exist between the NTD and GAAP, specifically the accounting of costs for capital grant purchases. If conflicts arise between GAAP and NTD reporting instructions and requirements, transit agencies must follow NTD rules. The rules for NTD accounting are as follows:

1. *Unique NTD requirements supersede GAAP. If a unique requirement exists for NTD purposes, follow the NTD.*
2. *In the absence of unique NTD provisions to the contrary, follow GAAP.*

The NTD policy manuals also recognize that the Financial Accounting Standards Board and the Governmental Accounting Standards Board are responsible for determining GAAP.

FTA 2018 Form Descriptions/Information

Full Reporters

Form F-10. Agencies report sources of funds for operating and capital expenses on the Sources of Funds form (F-10). The funding categories cover sources generated by agencies and from federal, state and local governments. Agencies report the following data by original revenue source:

- The total amount earned
- The amount applied for operating expenses
- The amount applied for capital expenses

Form F-20. Agencies report the funds expended on capital projects by category on the Uses of Capital form (F-20), which defines capital expenses as an improvement of existing transit services or expansion of transit services, as well as by project categories.

Form F-30. Agencies report operating expenses by object class and function, as defined by the USOA, on the Operating Expenses form (F-30). Agencies complete the form for each combination of mode and type of service.

Form F-40. Provides an agency-wide summary of the operating expenses on the F-30 form(s) that provide mode/service types level data. Each Form F-30 automatically feeds into Form F-40 to summarize the total operating expense for the organization's modes and service types. Reconciling items are expenses that are not included as capital expenses or as mode-specific operating expenses. Transit agencies use reconciling items on the NTD Annual Report to provide an overall operating expense total that is consistent with, or reconciles to, the reporting entity's audited financial statements.

Form F-60. Agencies report select object classes on the Statement of Finances form (F-60), such as cash and receivables, investments, special funds, long-term debt, estimated long-term pension liabilities, and other estimated liabilities. As per the NTD Policy Manual, agencies that report under the Plan, Separate Service, Build, or Full reporting types with the following organization types fill out Form F-60:

- Independent Public Agency or Authority of Transit Service
- Subsidiary Unity of a Transit Agency, Reporting Separately
- Other Publicly-Owned or Privately Chartered Corporation
- Other

Reduced Reporters

Reduced Reporting Form (RR-20). Agencies report service, financial, and safety data on the Reduced Reporting form (RR-20). The form captures total modal expenses, uses of capital, sources of funds for transit operations and capital by funding category.

Management Assertion

AT-C 215 states that, "The practitioner should request from the responsible party a written assertion about the measurement or evaluation of the subject matter against the criteria." The appropriate assertion and procedures depends on whether a transit agency's accounting system directly follows the USOA or whether the agency uses something other than the USOA for accounting purposes but can translate, using a clear audit trail, to the USOA. Because most transit agencies' accounting systems do not follow the USOA exactly, the illustrative AUP reporting provided in the attachments to this guidance document assume that the transit agency follows something other than the USOA for accounting purposes. The suggested management assertion for this scenario, which is based on the NTD policy manuals, is as follows:

The accounting system, from which the NTD reports for the year ended *[insert date]* were derived, uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA.

Practitioner Requirements and Guidance

Practitioners are to perform this AUP engagement following the requirements and application guidance contained in AT-C 215. Additionally, practitioners are encouraged to read the applicable NTD Policy Manual and USOA guidance that relates to the specific procedures performed to better understand the NTD reporting requirements.

Illustrative AUP Reports

The attachments to this guidance document include the following two illustrative AUP reports:

- Attachment 1: [Illustrative Agreed-Upon Procedures Report for Full Reporter to Meet the Requirements of the 2018 National Transit Database \(NTD\) Policy Manual for a Financial Data Review](#)
- Attachment 2: [Illustrative Agreed-Upon Procedures Report for Reduced Reporter to Meet the Requirements of the 2018 National Transit Database \(NTD\) Policy Manual for a Financial Data Review](#)



**Illustrative Agreed-Upon Procedures Report for Reduced Reporter to Meet the Requirements of
the 2018 National Transit Database (NTD) Policy Manual¹ for a Financial Data Review
Issuance Date: October 11, 2018**

[IMPORTANT NOTE: Read the related [GAOC guidance document](#) for details regarding this report and the underlying engagement.]

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Board of Directors of
[Insert Name of Organization]
and the Federal Transit
Administration

We have performed the procedures enumerated below, on the application of the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA) by the *[insert name of organization]* (the Organization) for the fiscal year ended *[insert date]*. Such procedures, which were agreed to by the management of the Organization and the FTA, were performed to assist the Organization and FTA in determining conformance with USOA requirements based on the following assertion by the Organization's management:

The accounting system from which the NTD reports for the year ended *[insert date]*, were derived, uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA.

The Organization's management is responsible for conformance with the requirements described above. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and associated findings are as follows:

1. Procedure: NTD Crosswalk

- a. Obtain the Reduced Reporter Form RR-20 prepared by management for the year ended *[insert date]*.
- b. Obtain the reconciliation documentation management prepares (referred to as "the crosswalk" throughout this report) to reconcile the chart of accounts, general ledger, and/or trial balance and other supporting documents such as Excel spreadsheets (collectively referred to as the accounting system) to Form RR-20.
- c. Inquire of management as to whether the crosswalk obtained in procedure 1.b is supported by the

¹ The procedures in this report were developed based on the 2018 National Transit Database Policy Manual for Reduced Reporters and the associated Federal Transit Administration Form RR-20.

accounting system.

- d. For a transit agency that is part of a larger reporting entity, inquire of management as to whether the crosswalk includes the full cost of providing transit service, including costs incurred by the larger reporting entity to specifically support the agency's transit service.
- e. Inspect the crosswalk to determine that it incorporates NTD reporting using the applicable mode(s) and types of service identified in Form RR-20.

Findings:

[Include the findings in this section or a statement that "No exceptions were found as a result of this procedure."]

2. Procedure: Accrual Accounting

- a. Obtain the most recent audited financial statements that include the transit agency and inspect the notes to the financial statements to determine whether the accrual basis of accounting was used.
- b. Inquire of management as to whether the accrual basis of accounting has continued to be used since the last audited reporting period and that it is used for NTD reporting in the current period.
- c. If the notes to the financial statements indicate that an accrual basis of accounting is not being used, or the results of the inquiry to management in procedure 2.b indicate the accrual basis of accounting is not being used in the current period, inspect the crosswalk to determine that the transit agency made adjustments to convert to an accrual basis for NTD reporting.

Findings:

[Include the findings in this section or a statement that "No exceptions were found as a result of this procedure."]

3. Procedure: Sources of Revenue Expended

- a. Trace and agree the two largest directly generated fund passenger fare revenue modes (all service types) from Form RR-20 to the accounting system.
- b. Trace and agree the largest source of funds expended (other than passenger fares) in the following major categories of funds from Form RR-20 to the accounting system: (1) Other Directly Generated Funds; (2) Revenue Accrued Through a PT Agreement; (3) Non-Federal Funds; and (4) Federal Funds.
- c. For each of the largest source of funds expended in 3b, inspect the crosswalk to determine that it identifies, evaluates, and classifies financial transactions into categories of funds expended on operations and funds expended on capital (USOA Section 2) for the reporting year.

Findings:

[Include the findings in this section or a statement that "No exceptions were found as a result of this procedure."]

4. Procedure: Funds Expended

- a. Trace and agree the aggregate of total funds expended for operations and total funds expended for capital from Form RR-20 to the accounting system using the crosswalk or other written expense documentation.
- b. For the two largest modes/type of services, trace and agree funds expended on operations and funds expended on capital from Form RR-20 to the crosswalk or other written documentation of functional expenses.

Findings:

[Include the findings in this section or a statement that “No exceptions were found as a result of this procedure.”]

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, the Organization’s conformance with the requirements described above, for the year ended *[insert date]*. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Organization and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

(Practitioner’s signature)
(Practitioner’s city and state)
(Date)