

**COURT ORDER
2015-1630**



RFQ No. 2015-074-6528 Request for Qualifications for Financial Audits of Dallas County, IT General Controls, Juvenile Board, and Community Supervision and Corrections Department (Execute Final Contract for Award w/Deloitte)

On a motion made by Commissioner Dr. Theresa M. Daniel, District 1, and seconded by Commissioner Dr. Elba Garcia, District 4, the following order was passed and adopted by the Commissioners Court of Dallas County, State of Texas:

BRIEFING DATE: 11/17/2015
FUNDING SOURCE: General Fund

Be it resolved and ordered that the Dallas County Commissioners Court does hereby approve attached contract between Deloitte and Dallas County under RFQ No. 2015-074-6528 Request for Qualifications for Proposal for Financial Audits of Dallas County, IT General Controls, Juvenile Board, and Community Supervision and Corrections Department and authorize the County Judge to execute all related documents on behalf of Dallas County.

Done in open court November 17, 2015, by the following vote:

IN FAVOR: Honorable Clay Lewis Jenkins, County Judge
Commissioner Dr. Theresa M. Daniel, District 1
Commissioner Mike Cantrell, District 2
Commissioner John Wiley Price, District 3
Commissioner Dr. Elba Garcia, District 4

OPPOSED: None
ABSTAINED: None
ABSENT: None

Recommended by: Gloria McCulloch
Originating Department: Purchasing

COMMISSIONERS COURT BRIEFING



DATE: November 17, 2015

SUBMITTING DEPARTMENT: Purchasing

THROUGH: Purchasing

SUBJECT: RFQ No. 2015-074-6528 Request for Qualifications for Financial Audits of Dallas County, IT General Controls, Juvenile Board, and Community Supervision and Corrections Department (Execute Final Contract for Award w/ Deloitte)

BACKGROUND:

On October 6, 2015, by authorization of the Commissioners Court under Court Order 2015-1440, the Purchasing Department entered into contract negotiations with Deloitte for the aforementioned solicitation. Contract negotiations have been ongoing and a final contract has been executed by Deloitte and is attached. The purpose of this briefing is to recommend Dallas County execute the contract.

OPERATIONAL IMPACT:

The purpose of this contract is to provide financial audit services for Dallas County. The contract will be for an initial two (2) year term with the option to extend for three (3) additional one (1) year terms based on the performance and availability of funding.

FINANCIAL IMPACT:

Funding for this service will come out of the General Fund. The estimated total amount paid annually under this contractual agreement shall not exceed the amount of six hundred sixty thousand and 00/100 dollars (\$660,000.00). This contract's estimated amount is subject to being decreased or increased at the County's sole discretion. Program funding may vary from year to year based on the availability of budgetary funds.

LEGAL IMPACT:

The District Attorney's Office – Civil Division has approved the contract as to form. All data associated with this solicitation shall remain "confidential" until a fully executed contract has been approved by the Commissioners Court and signed by the County Judge.

PROJECT SCHEDULE:

The initial term of the contract is effective from the date of final execution by the County Judge.

M/WBE PARTICIPATION:

The M/WBE report and EEO1 forms have been provided to Commissioners Court.

STRATEGIC PLAN COMPLIANCE:

This RFQ contract complies with Vision 3 of the County's Strategic Plan – Dallas County is safe, secure and prepared.

RECOMMENDED BY:	Purchasing	PREPARED BY:	Lenora Sevillian
		APPROVED BY DEPT HEAD:	Gloria McCulloch

RECOMMENDATION:

The Purchasing Department, in conjunction with the District Attorney's Office – Civil Division and the Dallas County Auditor's Office, recommend that the Commissioners Court approve the attached contract between Deloitte and Dallas County under RFQ No. 2015-074-6528 Request for Qualifications for Proposal for Financial Audits of Dallas County, IT General Controls, Juvenile Board, and Community Supervision and Corrections Department and authorize the County Judge to execute all related documents on behalf of Dallas County.

CO= BZ77048
 UI= BL64635

EQUAL EMPLOYMENT OPPORTUNITY
 2014 EMPLOYER INFORMATION REPORT
 INDIVIDUAL ESTABLISHMENT REPORT - TYPE 4

SECTION B - COMPANY IDENTIFICATION

1. DELOITTE LLP
 30 ROCKEFELLER PLAZA
 NEW YORK, NY 10112

SECTION C - TEST FOR FILING REQUIREMENT

2.a. DALLAS-DELOITTE & TOUCHE LLP
 2200 ROSS AVE STE 1600
 DALLAS, TX 75201

1-Y 2-N 3-Y DUNS NO.:014127109

DALLAS COUNTY
 c. Y

SECTION E - ESTABLISHMENT INFORMATION

NAICS: 541211 Offices of Certified Public Accountants

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO										OVERALL TOTALS			
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN		AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
EXECUTIVE /SR OFFICIALS & MGRS	1	0	6	0	0	1	0	0	0	7	0	0	1	0	0	16
FIRST /MID OFFICIALS & MGRS	3	4	32	3	0	17	0	2	26	1	0	2	0	1	91	
PROFESSIONALS	9	14	75	9	0	19	2	3	57	4	0	25	0	3	220	
TECHNICIANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ADMINISTRATIVE SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CRAFT WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
OPERATIVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	13	18	113	12	0	37	2	5	90	5	0	28	0	4	327	
PREVIOUS REPORT TOTAL	12	16	118	13	0	34	2	1	98	9	0	35	1	4	343	

SECTION F - REMARKS

AGREEMENT BETWEEN DALLAS COUNTY, DALLAS COUNTY COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT, DALLAS COUNTY JUVENILE BOARD AND DELOITTE & TOUCHE LLP, CERTIFIED PUBLIC ACCOUNTANTS FOR PERFORMANCE OF FINANCIAL AUDIT SERVICES

This Contract is entered into by and between Dallas County (hereinafter "County"), Dallas County Community Supervision, and Corrections Department (hereinafter "CSCD"), Dallas County Juvenile Board (hereinafter "Juvenile Board"), and Deloitte & Touche LLP, Certified Public Accountants (hereinafter "Auditor") for the purpose of performing the financial audit services described herein and each Engagement Letter (as defined below) (hereinafter "Services").

Auditor has proposed, and County has accepted, subject to this Contract and any Engagement Letter, the offer to provide professional services in response to County's Request for Qualifications No. 2015-074-6528, which included audit services for the County, Juvenile Board, and CSCD (hereinafter collectively referred to as the "Government Parties").

1. PERFORMANCE OF WORK

Auditor agrees to perform all work and provide all deliverables as described below and as may be further refined in subsequently-issued engagement letters, as well as all work described in the "Scope of work" Section of the Dallas County Request for Qualifications for Financial Audits of Dallas County, IT General Controls, Juvenile Board, and Community Supervision and Corrections Department #2015-074-6528. The parties hereby acknowledge and agree that an annual engagement letter (each, an "Engagement Letter") will be issued by the Auditor for each of the Services relating to the matters set forth in the Scope of Work, and that each such Engagement Letter shall reflect the Services to be performed by Auditor with respect to the County's (or such other Government Party as set forth in an Engagement Letter) financial statements. No such Engagement Letter will be valid until approved and signed by the relevant Government Party. Each Engagement Letter shall become a part of, and shall be appended as a numbered exhibit to, this Contract.

2. SCOPE OF WORK

The Auditor shall perform the Services as outlined below for the County and/or a Government Party as part of this Contract:

The scope of this work should include, but not be limited to:

- a) Financial statement audit for Dallas County including CAFR and management letters (including compliance related to the Public Funds Investment Act). The financial statement audit will be in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards. The services will be completed and the Auditor shall use commercially reasonable efforts to issue a report not later than March 10, 2016 or other date mutually agreed to by the parties. As part of the financial statement audit for the County, we will also be obtaining an understanding of the computer systems that are

considered relevant to the audit and test the design and implementation of the general information technology controls associated with those systems. In addition, we will also test the operating effectiveness of these controls. Our testing of controls will include the testing of controls that are considered relevant to the financial statements for the following applications: Oracle E-Business Suite release 12.1.0.3, SymPro Treasury Management Solutions from Emphasys Software, Payment Manager from Active Network, and the legacy custom Oracle application called DMS (Deposit Management System).

- b) Financial statement audit for Dallas County funds administered by the Dallas County Juvenile Probation Department, in accordance with Generally Accepted Auditing Standards, Governmental Auditing Standards, and Texas Juvenile Justice Department (TJJD) audit requirements. The services will be completed and Auditor shall use commercially reasonable efforts to issue a report not later than February 14, 2016 or other date mutually agreed to by the parties.
- c) Financial statement audit for Criminal Justice Department funds administered by the Community Supervision and Corrections Department (CSCD), in accordance with Generally Accepted Auditing Standards, Governmental Auditing Standards, and Community Justice Assistance Division audit requirements. The services will be completed and Auditor shall use commercially reasonable efforts to issue a report not later than February 15, 2016 or other date mutually agreed to by the parties.
- d) Financial statement audit for the Charter School, in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards. The services will be completed and Auditor shall use commercially reasonable efforts to issue a report not later than January 9, 2016 or other date mutually agreed to by the parties.
- e) Single audit for Dallas County federal and state financial assistance. In compliance with Government Auditing Standards, Office of Management and Budget, and Uniform Grant Management Standards. The services will be completed and Auditor shall use commercially reasonable efforts to issue a report issued not later than April 30, 2016 or other date mutually agreed to by the parties.
- f) Agreed upon procedures for Section 8 Housing Choice Voucher Program – REAC, The services will be completed and Auditor shall use commercially reasonable efforts to issue a report no later than June 15, 2016 or other date mutually agreed to by the parties.
- g) Any additional audit procedures/work is to be approved in advance by County Auditor.
- h) Separate audit reports and management letters for each entity as specified.
- i) Weaknesses identified either due to absence of controls or to non-compliance should be brought to the attention of the business process owner and responsible

management. Where weaknesses identified are considered to be significant or material, they should be reported in the management letter.

3. INCORPORATED DOCUMENTS

The following documents are incorporated by reference and fully incorporated herein:

- A. Dallas County Request for Qualifications #2015-074-6528 (“Exhibit A”);
- B. Auditor’s Response to Dallas County Request for Proposal #2015-074-6528 (“Exhibit B”);
- C. Sample Invoice (“Exhibit C”); and
- D. Each annual Engagement Letter.

4. ORDER OF PRECEDENCE

In the event of any conflict between this Contract, including the Engagement Letter, Dallas County Request for Qualifications #2015-074-6528, and Auditor’s Response to Dallas County Request for Qualifications #2015-074-6528, the following order of precedence shall apply:

- A. this Contract, including the Engagement Letter; then
- B. Auditor’s Response; then
- C. Dallas County RFQ No. 2015-074-6528.

5. BILLING AND PAYMENT

Government Parties agree to compensate Auditor at the stated rate as shown below for Services actually rendered hereunder:

- A. Fees include the printing and binding of the CSCD, single audit reports, and management letters.
- B. It is agreed that as work progresses, Auditor shall render separate bills for services performed. Such billing shall identify the amount due based on equal progress billings.
- C. Any payments by Government Parties to Auditor may be withheld if Auditor fails to comply in all material respects with its obligations under this Contract, its required deliverables, or other requirements relating to Auditor’s performance of work and services under this Contract, which failure has not been remedied within thirty (30) days of Government Parties’ receipt of Auditor’s invoice. Government Parties must notify

Auditor in writing of any such failure within a reasonable time after such failure is discovered by Government Parties and provide Auditor with an opportunity to cure the defect. Without limiting its rights or remedies, Auditor shall have the right to halt or terminate the Services entirely if payment is not received within thirty (30) days of the invoice date, if such invoice is in dispute.

- D. Auditor shall pay all of its own out-of-pocket expenses.
- E. Auditor will not be paid or reimbursed for funds used or spent for any unauthorized or unallowable use under this Contract or any state and/or federal regulations.
- F. Not-to-Exceed Amounts. Auditor understands and agrees that the total not-to-exceed amount payable for performance of the Services described herein shall not exceed Six Hundred Sixty Thousand and 00/100 Dollars (\$660,000) per year (including any extensions pursuant to Section 7 below) as described in Auditor's Proposal Pricing Form, unless a formal written amendment is executed by the Parties hereto and is formally approved by the Commissioners Court. Auditor assures County that it will not perform services that would cause the amounts payable to Auditor for the Services described herein to exceed the established maximum amounts payable without following the procedures described in this Contract. County shall not pay for any services that would cause the amounts payable for Services specified herein to exceed the established maximum amount payable without a formal written amendment approved by the Commissioners Court evidencing such. The single audit estimates below are based on an assumption that the County has 6 major federal and state programs as defined by the Office of Management and Budget Circular A-133 are required to be audited. If additional major programs are required to be audited on an annual basis, the fees will be increased by \$25,000 to \$35,000 for each major program or cluster. We will prepare a budget for the additional hours required to complete the audit of such programs and review it with the County Auditor's office before we commence with our procedures.

RFQ 2015-074-6528 FINANCIAL AUDITS OF DALLAS COUNTY, IT GENERAL CONTROLS, JUVENILE BOARD, AND COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

DESCRIPTION	ESTIMATED WORK HOURS	ANNUAL COST FOR FY 2015	ANNUAL COST FOR FY 2016	ANNUAL COST FOR FY 2017	ANNUAL COST FOR FY 2018	ANNUAL COST FOR FY 2019
BASE AUDIT FEE						
<i>FEES SHALL BE INCLUSIVE OF ALL WORK-HOUR COSTS, REIMBURSEMENTS, PRINTING AND POSTAGE.</i>						
1. Financial audit for Dallas County including CAFR and management letters for Dallas County.	1,600	\$ 248,000	\$ 260,800	\$ 273,600	\$ 286,400	\$ 300,800
2. Financial audit for Dallas County funds administration by the Dallas County Juvenile Probation Department.	130	\$ 20,150	\$ 21,190	\$ 22,230	\$ 23,270	\$ 24,440
3. Compliance Audit related to the Public Funds. • Investment Act (may be included with financials and internal controls.)	32	\$ 4,960	\$ 5,216	\$ 5,472	\$ 5,728	\$ 6,016
4. Financial Audit for Criminal Justice • Department funds administration by the Community Supervision and Corrections Department (CSCD).	200	\$ 31,000	\$ 32,600	\$ 34,200	\$ 35,800	\$ 37,600
5. Single Audit for Dallas County federal and state financial assistance.	900	\$ 139,500	\$ 146,700	\$ 153,900	\$ 161,100	\$ 169,200
6. Agreed upon audit procedures for Section 8 Housing. • Choice Voucher Program-REAC.	32	\$ 4,960	\$ 5,216	\$ 5,472	\$ 5,728	\$ 6,016
7. Financial Audit for the Charter School.	250	\$ 38,750	\$ 40,750	\$ 42,750	\$ 44,750	\$ 47,000
TOTAL BASE PRICING:	3,144	\$ 487,320	\$ 512,472	\$ 537,624	\$ 562,776	\$ 591,072
ADDITIONAL AUDIT RELATED SERVICES						
<i>FEES SHALL BE INCLUSIVE OF ALL WORK-HOUR COSTS, REIMBURSEMENTS, PRINTING AND POSTAGE.</i>						
1. Information Technology General Controls (ITGC) review of Dallas County's IT system and organization.	350	\$ 54,250	\$ 57,050	\$ 59,850	\$ 62,650	\$ 65,800
2. Provide a fixed hourly rate for other audit related services that may arise in conjunction with scope changes and changes to auditing procedures.		\$ 155	\$ 163	\$ 171	\$ 179	\$ 188
3. Value added options.						
TOTAL ADDITIONAL SERVICES PRICING:	350	\$ 54,250	\$ 57,050	\$ 59,850	\$ 62,650	\$ 65,800

6. TEMPORARY OFFICE SPACE AND ENTITY COOPERATION

Adequate working space shall be furnished to Auditor and its personnel. Timely audit and report completion assumes cooperation and assistance of employees of the Government Parties in preparing working papers and locating documents. Auditor shall notify the respective Government Party(ies), in writing if it feels the entity is not providing sufficient cooperation or adequate working space.

7. TERM

The initial term of this Contract shall be for a period of two (2) years, beginning on the date of execution, and subject to successful completion of Auditor's client continuance procedures. The parties may mutually agree to execute three (3) one (1) year extensions of this contract upon acceptable performance of said Contract. The fees associated with the contractual extensions shall be in accordance with the proposal pricing form. Any increase in fees must be annually justified and approved by Commissioners Court.

8. TERMINATION/SUSPENSION

- A. Suspension. Should Government Parties desire to suspend the Services, but not terminate the Contract, Government Parties shall issue a written order to stop work. The written order shall set out the terms of the suspension. Auditor shall stop all Services as set forth in this Contract and will cease to incur costs to Government Parties during the term of the suspension. Auditor shall resume work within a commercially reasonable time following when it has been requested to do so by Government Parties in a written authorization to proceed. Auditor and Government Parties shall mutually agree in writing to any extension to the Term of this Contract in the event of a suspension. If a change in the terms and conditions relating to payment for Services is necessary because of a suspension, a mutually agreed Contract amendment will be executed in accordance with this Contract.

Termination. Either party may, at its option and without prejudice to any other remedy to which it may be entitled to at law or in equity, or elsewhere under this Contract, terminate this Contract, in whole or part, by giving thirty (30) calendar days prior written notice thereof to the other party with the understanding that all services being performed under this Contract shall cease upon the date specified in such notice. Government Parties shall compensate the Auditor in accordance with the terms of this Contract and any subsequently-issued Engagement Letter for the services performed prior to the date specified in such notice. In the event of termination, Auditor shall cease any and all services under this Contract on the date of termination and to the extent specified in the notice of termination. Upon receipt of such notice, Auditor shall not incur any new obligations or perform any additional services and shall cancel any outstanding obligations or services to be provided. To the extent federal funds are available and reimbursement is permitted, Government Parties will reimburse Auditor for non-terminated obligations that were incurred prior to the receipt by Auditor of the termination notice. Upon termination of this Contract as herein above provided, any and

all unspent funds that were paid by Government Parties to Auditor under this Contract for Services that have not yet been rendered, and any and all Government Parties data, documents and information in Auditor's possession shall be returned to Government Parties within five (5) working days of the date of termination. . Notwithstanding anything herein to the contrary, Auditor may retain copies of such confidential information for archival purposes, provided that it retains such copies in accordance with its confidentiality obligations hereunder.

B.

- 1) Without Cause: This Contract may be terminated, in whole or in part, without cause, by either party upon thirty (30) calendar days prior written notice to the other party.
- 2) With Cause: Government Parties reserve the right to terminate this Contract immediately, in whole or in part, at its sole discretion, for the following reasons:
 - a) Lack of, or reduction in, funding or resources;
 - b) Non-Performance. Auditor's non-performance of the material specifications of this Contract or material non-compliance with the terms of this Contract shall be a basis for termination of the Contract by the Government Parties. Termination, in whole or in part, by the Government Parties under this Section may be made at Government Parties option and without prejudice to any other remedy to which Government Parties may be entitled to at law or in equity, or elsewhere under this Contract, by giving thirty (30) days written notice to Auditor with the understanding that all services being performed under this Contract shall cease upon the date specified in such notice. Government Parties shall not pay for equipment, Services or supplies that are not in material compliance with the requirements of this Contract or an Engagement Letter. With written notice by Government Parties, Auditor shall be given a reasonable opportunity (thirty (30) calendar days or other time period mutually agreed to in writing by the parties) prior to termination of this Contract to cure any problems and/ or deficiencies in the Services performed under this Contract. Nothing herein, however, shall limit or waive Government Parties' right to terminate this Contract under any other provision herein;
 - c) Auditor's improper or inept performance of services under this Contract, unless remedied within 30 days as set forth in Section 5.C of this Contract;
 - d) Auditor's failure to comply with the material terms and provisions of this Contract;
 - e) Auditor's submission of invoices, data, statements and/or reports that are materially incorrect, or materially incomplete;
 - f) If Auditor becomes or is declared insolvent or bankrupt, or is the subject of

any proceedings relating to its liquidation or insolvency or for the appointment of a receiver or similar officer for it, has a receiver of its assets or property appointed or makes an assignment for the benefit of all or substantially all of its creditors, institutes or causes to be instituted any proceeding in bankruptcy or reorganization or rearrangement of its affairs, enters into an agreement for the composition, extension, or adjustment of all or substantially all of its obligations, or has a material change in its key employees; and/or

g) Auditor's inability to perform under this Contract due to judicial order, injunction, or any other court proceeding.

C. Auditor may terminate this engagement upon written notice to the Government Parties if it determines that (a) a governmental, regulatory, or professional entity (including, without limitation, the American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board, or the Securities and Exchange Commission), or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation, or decision, the result of which would render Auditor's performance of any part of the engagement illegal or otherwise unlawful or in conflict with independence or professional rules, or (b) circumstances change (including, without limitation, changes to the ownership of County or any of its affiliates) such that Auditor's performance of any part of the engagement would be illegal or otherwise unlawful or in conflict with independence or professional rules. Upon termination of the engagement, the Government Parties will compensate Auditor under the terms of this Contract for the Services performed through the effective date of termination. Notice of termination under this provision must specify what law, regulation, rule, interpretation or decision renders the performance illegal, unlawful, or in conflict with independent or professional rules.

D. Auditor may resign as auditor at its discretion and immediately terminate this Contract or an Engagement Letter in accordance with the laws, regulations, and professional standards applicable to the type of services provided under this Contract or an Engagement Letter. In the event of such termination, Auditor shall be entitled to be paid for all Services performed prior to and including the effective date of such termination; however, no amount shall be allowed for anticipated profit or unperformed services. Notice of termination under this provision must specify what law, regulation or professional standard caused Auditor to resign.

9. REPORTING AND ACCOUNTABILITY

A. Auditor agrees to submit all required reports on a timely basis and in accordance with the specified time frames. Auditor shall maintain complete records of activities.

B. Auditor agrees that all information, data and supporting documentation supplied by Government Parties and all information, data and supporting documentation created by the Government Parties in the course of services performed under this Contract shall remain the property of the Government Parties and Auditor shall acquire no right or interest in such property. To the extent that Auditor utilizes any property owned by

Auditor (including, without limitation, any work papers, hardware, or software of in connection with the performance of the Services, such property shall remain the property of Auditor and the Government Parties shall acquire no right or interest in such property. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (1) Auditor shall own all right, title, and interest, including, without limitation, all rights under all copyright, patent, and other intellectual property laws, in and to all work papers and reports created in the course of services under this Contract and all property owned by Auditor and (2) Auditor may employ, modify, disclose, and otherwise exploit such work papers, reports and property (including, without limitation, providing services or creating programming or materials for other clients). Auditor does not agree to any terms that may be construed as precluding or limiting in any way its right to (1) provide consulting or other services of any kind or nature whatsoever to any person or entity as Auditor in its sole discretion deems appropriate or (2) develop for itself, or for others, materials that are competitive with or similar to those produced as a result of the Services, irrespective of their similarity to such materials.

- C. Should Government Parties determine it reasonably necessary, Auditor shall make all of its timekeeping and expense records (Records) that are solely and directly related to payment and invoicing of Services rendered under this Contract available to authorized Government Party personnel, at reasonable times and within reasonable periods upon prior written notice to Auditor, for inspection purposes or to substantiate the provision of Services under this Contract. Government Parties agree that such Records may be redacted to protect individual personnel's personal information.
- D. All Records shall be maintained and kept by Auditor during the course of the Contract and for a minimum of four (4) years and ninety (90) calendar days after the termination of the Contract period. If any litigation, claim, or review involving these documents begins before the specified period expires, Auditor must keep the Records until the later occurrence of either the end of an additional four (4) years and ninety (90) calendar days from the date of court filing or completion of the services provided under this Contract, or until all litigation, claims or review findings are resolved.
- E. Auditor represents and warrants that it shall not receive personal benefits or gains in performance of the services outlined in this Contract. Furthermore, Auditor agrees to disclose prior to commencement of a particular assignment for Government Parties any independence impairing financial interests that Auditor may have in the Services required under this Contract.
- F. The County staff is welcome to attend Auditor's complimentary training targeted to governmental accounting, auditing and reporting.
- G. THIS IS A SERVICES ENGAGEMENT. AUDITOR WARRANTS THAT IT SHALL PERFORM THE SERVICES IN GOOD FAITH AND WITH DUE PROFESSIONAL CARE. EXCEPT FOR THIS WARRANTY AND THOSE SET FORTH IN THIS SECTION 14, AUDITOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES

OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10. INDEMNIFICATION

Auditor agrees to release, indemnify and hold the GOVERNMENT PARTIES, its officers and employees, harmless from and against any and all claims, lawsuits, judgments, costs and expenses solely for personal injury (including death) or physical damage to real or tangible personal property, to the extent directly or proximately caused by the willful or negligent misconduct of AUDITOR, its employees or sub-consultants, while engaged in the performance of services under this Contract; provided, however, that if there also is fault on the part of GOVERNMENT PARTIES or any entity or individual indemnified hereunder or any entity or individual acting on GOVERNMENT PARTIES' behalf, the foregoing indemnification shall be on a comparative fault basis. AUDITOR's obligation to indemnify shall not extend or apply to any claim alleging that the County's financial statements are inaccurate or incomplete or were not prepared in accordance with generally accepted accounting principles. Auditor has no obligation to indemnify Government Parties from any claims resulting from the acts or omissions of Government Parties; and in no event would any indemnification provided under this section be effected by Auditor if doing so would violate the AICPA or other independence obligations. The GOVERNMENT PARTIES shall provide AUDITOR with prompt notice of any claim for which indemnification is sought hereunder and shall cooperate with AUDITOR in connection with any such claim. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Notwithstanding anything in this Contract to the contrary, AUDITOR shall be liable for the negligent acts or omissions of the AUDITOR, its officers, agents, associates, employees or sub-consultants in the performance of their services under this Contract. Because of the importance of management's representations to an effective audit, the GOVERNMENT PARTIES agree to release the AUDITOR and its officers, agents, associates, employees, or sub-consultants from the indemnification provisions herein to the extent any claims are attributable to any misrepresentations by GOVERNMENT PARTIES' management.

AUDITOR shall indemnify, defend and save harmless the GOVERNMENT PARTIES from all loss, cost, damage, judgments or expense from all Claims attributable to the claims of third parties for infringement by a deliverable of any U.S. patent existing at the time of delivery and known to Auditor or copyright or any unauthorized use of any trade secret, except to the extent that such infringement or unauthorized use arises from, or could have been avoided except for (i) modification of such deliverable other than by Auditor or its subcontractors or use thereof in a manner not contemplated by this Contract or the Engagement Letter, (ii) the failure of the indemnified party to use any corrections or modifications made available by Auditor, (iii) information, materials, instructions, specifications, requirements or designs provided by or on behalf of the indemnified party, or (iv) the use of such deliverable in combination with any platform, product, network or data not provided by Auditor. If Government Parties' use of any such deliverable, or any portion thereof, is or is likely to be enjoined by order of a court of competent jurisdiction as such an infringement or unauthorized use, Auditor, at its option and expense, shall have

the right to (x) procure for Government Parties the continued use of such deliverable, (y) replace such deliverable with a non-infringing deliverable, or (z) modify such deliverable so it becomes non-infringing; provided that, if (y) or (z) is the option chosen by Auditor, the replacement or modified deliverable is capable of performing substantially the same function. In the event Auditor cannot reasonably procure, replace or modify such deliverable in accordance with the immediately preceding sentence, Auditor may require Government Parties to cease use of such deliverable and refund the professional fees paid to Auditor with respect to the Services giving rise to such deliverable. The foregoing provisions of this Section constitute the sole and exclusive remedy of the indemnified parties, and the sole and exclusive obligation of Auditor, relating to a claim that any of Auditor's deliverables infringes any patent, copyright or other intellectual property right of a third party.

These provisions shall survive termination, expiration or cancellation of this Contract or any determination that this Contract' or any portion hereof is void, voidable, invalid or unenforceable.

11. INSURANCE

Any vendor that conducts business with the County, whether it is for goods and/or services, must maintain lawful workers compensation/self-insured employee coverage requirements and adequate liability limitations.

The Auditor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed to do business in the State of Texas, possessing a current A.M. Best, Inc. Rating of "A" or better.

The policies may provide coverage, which contain deductible or self-insured retention. Such deductible and/or self-insured retention shall not be applicable with respect to the coverage provided to the County under such policies. The Auditor shall be solely responsible for all deductibles and/or self-insured retention.

Within ten (10) days after contract award and prior to the commencement of any work or delivery, the Purchasing Agent requires the successful vendor(s) to submit verification of the following coverage. The insurance coverages, except Workers Compensation and Professional Liability, required by this Contract, shall include the County and its officers, employees and elected officials as additional insured(s) (as the interest of each insured may appear).

11.1 All insurance required herein shall be maintained in full force and effect throughout the term of this contract, including all extensions.

Automobile Liability: Auditor shall maintain Commercial/Business Automobile Liability insurance with a limit of bodily injury and property damage not less than \$100,000/300,000/100,000 or combined single limit of \$400,000 each occurrence with respect to the Auditor's owned, hired, and non-owned vehicles assigned to or used in performance of this

contract;

Commercial General Liability: Auditor shall maintain Commercial General Liability Insurance with a limit not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, property damage, personal injury, products and completed operations and contractual liability coverage for an insured contract;

Professional Liability: Auditor shall maintain Professional Liability Insurance with a limit not less than \$1,000,000 covering all performance under the contract; and

Workers Compensation or self-insured employee coverage meeting the acceptable requirements as established by the Texas Workers Compensation Act, Title 5, Subtitle A, Texas Labor Code.

11.2 Auditor agrees that, with respect to the above referenced insurance, the following will apply:

Auditor will provide thirty (30) days' notice to the County for cancellation, non-renewal or adverse material change;

Provide for endorsement that the "other insurance" clause shall not apply to the County where County is the additional insured on the policy;

Except for Professional Liability, Auditor agrees to waive subrogation and will have its insurers waive subrogation against the County, its officers and employees for injuries, including death, property damage or any other loss, except where prohibited by law;

Auditors must be prepared to show coverage verification prior to entering upon the County premises;

Failure to comply with lawful requirements or adequate liability requirements may result in delay of payments, subject to the orders of the Commissioners Court, not to exceed a period of up to two years from the termination of the contract, or cancellation of the contract or both (Court Order 2003-1792, September 30, 2003).

11.3 All certificates of insurance shall be identified with the RFQ number.

11.4 Auditor compliance with the above insurance requirements shall not relieve Auditor from any liability.

12. OTHER INSURANCE AND ENDORSEMENTS

12.1 Subject to Auditor's right to maintain reasonable deductibles in such amounts as are customary, Auditor shall obtain hereof, insurance coverage written by company's authorized to

conduct business in the State of Texas, in the following type(s) and amount(s). All cost or expense of insurance, and any and all deductibles shall be paid by Auditor without any liability to or reimbursement from County.

12.2 Prior to approval of any purchase order / work order by the County Commissioners Court, Auditor shall furnish an Insurance Certificate(s) to the County, which shall evidence that insurance policies in the amounts set forth below are then in effect. County shall have no duty to pay or perform under the contract until such certificate(s) have been delivered to County, and no officer or employee of the County shall have the authority to waive this requirement.

12.3 The County reserves the right to review the insurance requirements of this section during the effective period of the contract or any purchase order / work order and to adjust insurance coverage and their limits when deemed necessary and prudent based upon changes in statutory law, court decisions, current evaluation of risk, or the claims history of the industry as well as the Auditor. If, after selection and furnishing of insurance as required herein, the County requires an extension of coverage or increase in the minimum coverage limits, any increase in the premium cost of insurance caused by such increase will be paid by Auditor without cost to County.

12.4 REQUIRED MINIMUM COVERAGE:

<u>Type</u>	<u>Amount</u>
Workers Compensation and Employer's Liability:	Texas Labor Code Statutory amount = \$500,000.00
Commercial General (public) Liability to Include coverage for the following: Premises operations	Per occurrence limit for bodily and property damage of \$5,000,000.00
Products /completed operations	
Personal injury	
Contractual liability	
Fire legal liability	
Medical Payments	

12.5 Additional Policy Endorsements. The County shall be entitled, upon request and without expense to receive copies of each applicable policy endorsement evidencing additional insured status and waiver of subrogation where required.

13. SOVEREIGN IMMUNITY

This Contract is expressly made subject to Government Parties' sovereign immunity, Title 5 of the Texas Civil Remedies Code and all applicable State and federal law. The parties expressly agree that no provision of this Contract is in any way intended to constitute a waiver of any immunities from suit or from liability that the parties or the County has by operation of law. Nothing in this Contract is intended to benefit any third-party beneficiary.

14. REPRESENTATIONS AND WARRANTIES OF AUDITOR

- A. Auditor represents that no person will, on the grounds of race, creed, color, handicap, disability, national origin, sex, political affiliation or beliefs, be excluded from, be denied the benefit of or be subject to discrimination under any activity funded in whole or part under this Contract;
- B. Auditor, by acceptance of the funds provided under this Contract, agrees and warrants that personnel performing the services under this Contract are duly licensed and/or qualified to perform the required services;
- C. Auditor warrants that no funds under this Contract will be used to employ or compensate any recipient of Services;
- D. Auditor agrees to adhere to confidentiality requirements, as applicable, for work conducted for the Government Parties under this Contract and further agrees to refrain from any activities that advocate or promote the violation of applicable State or federal laws.

15. ASSIGNMENT

Auditor agrees that it will not transfer or assign its interest in this Contract without the prior-written consent of the Government Parties, which shall not be unreasonably withheld. Auditor understands that in the event that all or substantially all of Auditor's assets are acquired by another entity, and the Government Parties, Auditor is still obligated to fulfill the terms and conditions of this Contract.

16. INDEPENDENT CONTRACTOR

Auditor is an independent contractor and is not an agent, servant, joint enterpriser, joint-venture, fiduciary or employee of the Government Parties, and is responsible for its own acts, forbearance, negligence and deeds, and for those of its personnel or employees in conjunction with the performance of services covered under this Contract.

17. SUBCONTRACTING

Auditor may not enter into agreements with subcontractors for delivery of the designated services outlined in this Contract without prior written consent of the Government Parties. The costs of all subcontracted services are included in the fees paid herein. Auditor agrees that it will solely be responsible to Government Parties for the performance of this Contract. Auditor shall pay all subcontractors in a timely manner. Government Parties shall have the right to prohibit Auditor from using any subcontractor.

18. NOTICE

Any notice or certification required or permitted to be delivered under this Contract shall be

deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

Dallas County:

Deloitte & Touche LLP:

Mr. Darryl D. Thomas
Dallas County Auditor
509 Main Street, 4th Floor #407
Dallas, Texas 75202

Reem Samra
Deloitte & Touche LLP
2200 Ross Avenue, Suite 1600
Dallas, Texas 75201-6778

With a copy to:

Chong Choe
Assistant General Counsel
Dallas County District Attorney's Office
411 Elm Street, 5th Floor
Dallas, Texas 75202

19. COUNTERPARTS, NUMBER/GENDER AND HEADINGS

This Contract may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Contract.

20. AMENDMENTS AND CHANGES IN THE LAW

No modification, amendment, novation, assignment, renewal or other alteration of this Contract shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition or deletion to the terms of this Contract which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Contract and shall be effective on the date designated by said law.

21. COMPLIANCE WITH LAWS AND VENUE

In providing services required by this Contract, Auditor must observe and comply with all applicable licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State and local statutes, ordinances, rules and regulations. Exclusive venue shall lie in Dallas County, Texas and Texas law shall govern this Contract.

22. SEVERABILITY

If any provision of this Contract is construed to be illegal or invalid, this will not affect the legality or validity of any of the other provisions. The illegal or invalid provision will be deemed stricken and deleted, but all other provisions shall continue and be given effect as if the illegal or invalid provisions had never been incorporated.

23. ENTIRE CONTRACT

This Contract, including all attachments, constitutes the entire Contract between the parties and supersedes any other Contract concerning the subject matter of this transaction, whether oral or written.

24. BINDING EFFECT

This Contract and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

25. GOVERNMENT FUNDED PROJECT

If Contract is funded in part by either the State of Texas or the federal government, the Auditor agrees to timely comply with any statute, rule, regulation, grant, or similar restriction that imposes additional or greater requirements than stated herein and that is directly applicable to the Services rendered under the terms of this Contract. In instances where additional major programs are required to be tested to comply with the requirements of the Single Audit Act, the fees for such procedures will be billed in accordance with Section 5 of this Contract.

26. FISCAL FUNDING CLAUSE

Notwithstanding any provisions contained in this Contract, the obligations of the Government Parties under this Contract are expressly contingent upon the availability of funding for each item and obligation for the Term of the Contract and any pertinent extensions. Auditor shall have no right of action against Government Parties in the event Government Parties are unable to fulfill their obligations under this Contract as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Contract or failure to budget or authorize funding for this Contract during the current or future fiscal years. In the event that Government Parties are unable to fulfill their obligations under this Contract as a result of lack of sufficient funding, or if funds become unavailable, Government Parties, at their sole discretion, may provide funds from a separate source or may terminate this Contract by written notice to Auditor at the earliest possible time prior to the end of its fiscal year.

27. DEFAULT/CUMULATIVE RIGHTS/MITIGATION

It is not a waiver of default if the non-defaulting party fails to immediately declare a default or

delays in taking any action. The rights and remedies provided by this Contract are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by statute, ordinance or otherwise. Each party has a duty to mitigate damages.

28. PROMPT PAYMENT ACT

Auditor agrees that a temporary delay in making payments due to the Government Parties' accounting and disbursement procedures shall not place the Government Parties in default of this Contract and shall not render the Government Parties liable for interest or penalties, provided such delay shall not exceed thirty (30) calendar days after its due date. Any payment not made within thirty (30) calendar days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.

29. TAX

Dallas County, as a county of the State of Texas, is exempted from the payment of Texas state and local sales, excise, and use taxes pursuant to Tex. Tax Code § 15E309, and shall therefore not be liable or responsible to the Auditor for the payment of such taxes under this Contract.

The fees paid to Auditor pursuant to this Contract are inclusive of any applicable sales, use, personal property or other taxes attributable to periods on or after the applicable effective date of this Contract and based upon or measured by Auditor's cost in acquiring or providing products and/or services and related materials and supplies furnished or used by Auditor in performing its obligations hereunder, including all personal property and use taxes, if any, due on equipment or software owned by Auditor.

Auditor accepts full and exclusive liability for the payment of any and all contributions or taxes for Social Security, Workers' Compensation Insurance, Unemployment Insurance, or Retirement Benefits, Pensions, or annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries, or other remuneration paid to persons employed by Auditor for work performed under the terms of this Contract and agrees to indemnify and save harmless the County from any such contribution or taxes or liability.

30. MINORITY PARTICIPATION

The Auditor will endeavor to comply with the provisions of "Minority/Women Business Specifications for RFPs" as set forth in County's RFQ Number 2015-074-6528. The Auditor will notify the County of any circumstances that arise that will impact the Auditor's ability to comply with the provisions of such specifications.

31. CONFIDENTIAL INFORMATION

Confidentiality. To the extent that, in connection with this Contract or any Engagement Letter, any of Auditor or Government Parties (each, the "Receiving Party") come into possession of any Confidential Information of the other (the "Disclosing Party"), it shall not disclose such

information to any third party without the Disclosing Party's consent. "Confidential Information" means information designated as confidential or which would be recognized as confidential by a reasonable person from its nature and the circumstances surrounding its disclosure. Confidential Information includes, without limiting the generality of the foregoing, Auditor's or Government Parties' data/information/supporting documents, Government Parties' or Auditor's software, the terms of this Contract, and information: (1) relating to the Disclosing Party's current or planned software (whether in object code or source code form) or hardware products or services, technical and non-technical information, formulae, tools, patterns, compilations, programs, devices, techniques, drawings, methodologies and processes; (2) relating to Disclosing Party's business, policies, strategies, operations, finances, plans or opportunities, including the identity of or particulars about, a party's clients, customers or service providers; (3) marked or otherwise identified as confidential, restricted, secret or proprietary, including, without limiting the generality of the foregoing, information acquired by inspection or oral disclosure, provided such information acquired by inspection or oral disclosure provided such information was identified as confidential at the time of disclosure or inspection; (4) financial/operating risk patterns and specific audit sample techniques of Government Parties' or Auditor; or (5) recognized by statute as confidential, including information relating to individual health, mental health, sexually transmitted diseases, communicable disease, and HIV/AIDS.

a. Exceptions. Notwithstanding the foregoing, Confidential Information does not include information that the Receiving Party can establish: (1) has become generally available to the public or commonly known in either party's business other than as a result of a breach by the Receiving Party of any obligation to the Disclosing Party; (2) was known to the Receiving Party prior to disclosure to the Receiving Party by the Disclosing Party by reason other than having been previously disclosed in confidence to the Receiving Party; (3) was disclosed to the Receiving Party on a non-confidential basis by a third party who did not owe an obligation of confidence to the Disclosing Party with respect to the disclosed information; (4) was independently developed by the Receiving Party without any recourse to any part of the Confidential Information; or (5) in the case of Government Parties, any information related to the services which Government Parties have publicly disclosed in connection with an RFP for information technology services, including, without limitation, information of an operational, technical or financial nature related to Government Parties.

b. Use of Confidential Information. During the Term of this Contract, the Receiving Party may: (1) disclose Confidential Information received from the Disclosing Party only to its employees, officers, directors, attorneys, and subcontractors who have a need to know such information exclusively for the purpose of performing pursuant to this Contract or to contractors providing administrative, infrastructure and other support services to the Receiving Party and, in each case, who have executed a nondisclosure agreement containing provisions no less restrictive than those contained herein, and who are subject to other equivalent means to ensure confidentiality; (2) reproduce the Confidential Information received from the Disclosing Party only as required to perform the services pursuant to this Contract; (3) disclose Confidential Information as required by law or regulation, or to respond to governmental inquiries, legal process, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining to this Contract, provided the Receiving Party, to the extent legally permissible, gives the Disclosing Party prompt notice prior to such disclosure to allow the

Disclosing Party to make a reasonable effort to obtain a protective order or otherwise protect the confidentiality of such information. Except as otherwise specifically provided in this Contract, the Receiving Party shall not during the Term and after expiration or earlier termination of this Contract: (1) disclose, in whole or in part, any Confidential Information received directly or indirectly from the Disclosing Party; or (2) sell, rent, lease, transfer, encumber, pledge, reproduce, publish, market, transmit, translate, modify, reverse engineer, compile, disassemble or otherwise use the Confidential Information in whole or in part.

c. Care. The Receiving Party shall exercise the same care in preventing unauthorized disclosure or use of the Confidential Information that it takes to protect its own information of a similar nature, but in no event less than reasonable care.

d. Return of Confidential Information. Immediately upon the Disclosing Party's request, and at the expiration or earlier termination of this Contract or any other applicable renewal or extension hereto, the Receiving Party shall return or destroy all materials containing Confidential Information, including without limitation, all originals, copies, reproductions and summaries, and all copies of Confidential Information present on magnetic media, optical disk, volatile memory or other storage device, in a manner that assures the Confidential Information is rendered unrecoverable. Confidential Information stored on routine back-up media for the purpose of disaster recovery will be subject to destruction in due course. Latent data such as deleted files and other non-logical data types, such as memory dumps, swap files, temporary files, printer spool files and metadata that can customarily only be retrieved by computer forensics experts and are generally considered inaccessible without the use of specialized tools and techniques will not be within the requirement for 'Return of Confidential Information' as set forth by this paragraph. This paragraph does not apply to information that must be maintained in the Auditor's working papers in accordance with the applicable professional standards. Notwithstanding anything herein to the contrary, Auditor may retain copies of such confidential information for archival purposes, provided that it retains such copies in accordance with its confidentiality obligations hereunder.

e. Open Records or Public Information Act. The parties acknowledge and agree that Government Parties are subject, as a matter of law, to Texas Government Code, Chapter 552, also known as the "Texas Open Records Act" or the "Texas Public Information Act" ("Public Information Act"). Notwithstanding any other provision, including exemptions or exceptions to the Public Information Act, the parties agree that in the event that any provision of this Contract, or other documents related to this Contract, including, but not limited to, any exhibit, attachment, amendment, addendum, or other incorporated document, is in conflict with the Public Information Act, such provision shall be of no force or effect. Furthermore, it is expressly acknowledged and agreed that the Government Parties, County Commissioners Court, County Judge, Elected County Officials, County Department Heads and County Employees (hereinafter "County Requestors") may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any software, hardware, firmware, or any part thereof, or other equipment or item, data or information furnished to or in the possession or knowledge of Government Parties. It is further acknowledged and agreed that the Government Parties Requestors have the right and obligation by law to rely on the advice, decisions and opinions of the Texas Attorney General. Auditor hereby releases the

Government Parties Requestors from any and all liability or obligation of any type, kind or nature regarding any disclosure of any software, hardware, firmware, or any part thereof, or other equipment or item, data or information furnished by Auditor or in the possession or knowledge of the Government Parties that is determined by Government Parties or in reliance on any advice, decision or opinion of the Texas Attorney General to be available to the public or any persons.

f. Notwithstanding the foregoing, Government Parties agree, to the extent permitted by the Public Information Act, to keep confidential (and store in a secure area with limited access) and will not copy, publish, sell, exchange, disclose, or provide to others or use any information, documents or data, provided to or disclosed to Government Parties, or any information related to this Contract, including, but not limited to, any exhibit, attachment, amendment, addendum, or other incorporated document, for any purposes other than performing Government Parties' obligations under this Contract, unless prior written notification is given by Government Parties that such specified item will be released under the Public Information Act.

32. FORCE MAJEURE

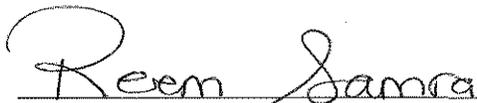
The parties to this Contract shall be released from liability hereunder for failure to perform any of the obligations herein where such failure to perform occurs by reason of any act of God, fire, flood, storm, earthquake, tidal wave, communication failure, sabotage, war, military operation, national emergency, mechanical or electronic breakdown, civil commotion, or the order requisition, request or recommendation of any government agency or acting governmental authority or either party's compliance therewith, or governmental regulation or priority.

33. SIGNATORY WARRANTY

Each party represents that it has the full right, power and authority to enter and perform this Contract in accordance with all of the terms and conditions, and that the execution and delivery of Contract has been made by authorized representatives of each party to validly and legally bind the respective party to all terms, performances and provisions set forth in this Contract.

IN WITNESS WHEREOF, the parties have entered into this Contract on the 17th
day of November, 2015.

DELOITTE & TOUCHE LLP



By: Reem Samra
Title: Lead Client Service Director

DALLAS COUNTY, TEXAS



BY: Clay Lewis Jenkins
Dallas County Judge

RECOMMENDED:



BY: Darryl D. Thomas
Dallas County Auditor

APPROVED AS TO FORM*:

SUSAN HAWK
DISTRICT ATTORNEY



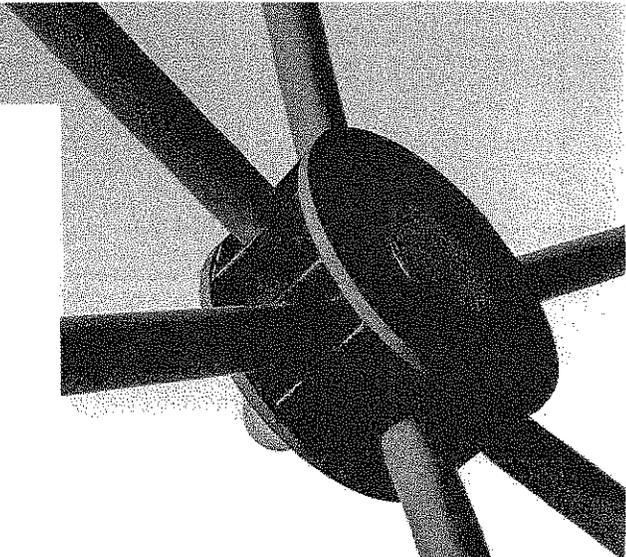
BY: Chong Choe
Assistant District Attorney

***BY LAW, THE DISTRICT ATTORNEY'S OFFICE MAY ONLY ADVISE OR APPROVE CONTRACTS OR LEGAL DOCUMENTS ON BEHALF OF ITS CLIENTS. IT MAY NOT ADVISE OR APPROVE A LEASE, CONTRACT, OR LEGAL DOCUMENT ON BEHALF OF OTHER PARTIES. OUR REVIEW OF THIS DOCUMENT WAS CONDUCTED SOLELY FROM THE LEGAL PERSPECTIVE OF OUR CLIENT. OUR APPROVAL OF THIS DOCUMENT WAS OFFERED SOLELY FOR THE BENEFIT OF OUR CLIENT. OTHER PARTIES SHOULD NOT RELY ON THIS APPROVAL, AND SHOULD SEEK REVIEW AND APPROVAL BY THEIR OWN RESPECTIVE ATTORNEY(S).**

EXHIBIT "A"
("RFP")

EXHIBIT "B"
("Response")

EXHIBIT "C"
("Pricing/Cost Schedule")



Deloitte.

Fresh Perspective,
Proven Experience

Fee Proposal to Serve Dallas County, Juvenile Board,
and Community Supervision and Corrections Department

Request for Qualifications #2015-074-6528





Deloitte & Touche LLP
2200 Ross Ave.
Suite 1600
Dallas, TX 75201
USA
Tel: +1 214 840 7000
Fax: +1 214 840 7050
www.deloitte.com

October 12, 2015

Dallas County Purchasing Department
Attn: Lenora Sevillian
Assistant Purchasing Contracts Supervisor
509 Main Street, 6th Floor, Room 623
Dallas, Texas 75202

Dear Ms. Sevillian,

Deloitte¹ is pleased to submit to Dallas County, Juvenile Board, and Community Supervision and Corrections Department (collectively, "the County") our cost proposal to conduct professional auditing services for the County for fiscal years 2015 through 2019.

Audit Fees

Our proposed fees for the financial and compliance audits as required by your request for proposal 2015-074-6528 are included in the attached Pricing Proposal Form. We believe that our organization focuses on providing a high quality audit that not only meets the various standards that we are required to comply with, but also on providing recommendations and input into the County's financial operations. We have a strong local team, plus national resources to call upon if needed. We understand that you do have a choice in auditors, and we continue to believe that a market rate for the high quality audit is appropriate. We would be pleased to further discuss our fees or the state of the profession in general with you at your convenience.

Our fees are based primarily on the time and effort that an engagement is expected to require. We accumulate costs based upon service time at hourly rates related to the experience levels of the individuals assigned. We believe that our service approach and audit efficiency afford Deloitte a unique ability to provide valuable service at reasonable fees on a continuing basis.

We will prepare careful budgets for all of our services based on the effectiveness of accounting procedures and the amount of support available from your staff. We will closely coordinate all of our work with management to minimize inconvenience to the County's personnel and the cost to the County of the professional services and maximize efficiency to reduce time spent in conducting the work.

We have estimated our fees based on an analysis of your prior year financial statements and compliance audits and the information provided in the responses and request for proposal as it related to the information technology report. If our fees are not competitive, we hope that you will allow us to revisit them with you.

Our estimate above includes the fees for the single audit with an estimate to perform major federal and state programs as defined by OMB Circular A-133. We have reviewed the programs audited over the last 2 years and believe that 6 programs is a good estimate of the amount of required major programs. If additional major programs are required to be audited, the fee will be increased by \$25,000 to 35,000 for each major program or cluster required to be tested depending on the time effort it will take to perform the audit, which is a function of the size and complexity of the program.

Our estimate for the fees to prepare a separate report that documents the procedures performed and results of the audit of the general information technology controls is based on certain assumptions. These assumptions include that the report will be prepared in accordance with the AICPA consulting standards and the procedures will include the following data bases, systems and applications. If management believes that other systems should be included in our scope, we will be pleased to discuss the hours that will be needed to add these systems.

- Oracle E-Business Suite release 12.1.0.3
- SymPro from Emphasys
- Payment Manager from Active Network and a legacy custom Oracle application called DMS (Deposit Management System)

¹As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

We will include in our engagement letter certain qualifying events that could alter the fee, such as a change in generally accepted accounting principles or auditing standards that would cause more audit work to be necessary.

Fees for Additional Services

As mentioned above, it is not our custom to bill for responding to routine inquiries or questions that do not require significant commitment of research time on our part. We prefer that our clients look upon us as advisors; we want management to regard us as a ready resource to assist with issues and questions. We recognize there will be occasions when we may be called on to provide additional services. Our fees for services of this nature will usually be based on the actual time worked by our professional staff and the nature of the work performed. We will discuss fees for additional services with you before we perform any work. Under no circumstances would we perform additional services without your authorization. Our range of professional fees is based on the depth and breadth of the professional knowledge of the individual and the timing of the work.

It is our firm's policy to review all Official Statements related to bond issuances in which our report on the financial statements is included. We ask to be given adequate time to review the Preliminary and final Official Statements in order to perform our required procedures and provide any necessary comments thereon. Our fee for this additional work is \$5,000 per bond issuance, and \$7,500 when it also include an agreed upon procedures report related to revenue bond coverage. This is not required when there is no opinion or reference to it or to us as auditors, included in the Official Statement.

The Deloitte Difference

Our culture and focus is providing high quality services and providing input to management about the quality of the financial reports and disclosures. We fully recognize that we are auditing on behalf of the citizens, bond-holders, grantors and other stakeholders. In that regard we endeavor to fully comply with all auditing standards without cutting corners. We provide full support to your staff with regular onsite visits by our partners, directors and managers. We believe that one can only audit when physically present and when working in close relationship with our clients. In addition, our experience level and national support groups provide the County with access to the best thinking possible in regard to technical issues that may arise.

Our proposal is being submitted in advance of our acceptance of your appointment of Deloitte, which is subject to the conditions that (a) Deloitte and the County subsequently reach and enter into a mutually acceptable definitive written agreement for the proposed services and (b) Deloitte completes to its satisfaction its standard client acceptance and continuance procedures with respect to this proposed engagement.

We do not merely make promises—we deliver results—and we have the track record to prove it. We meet deadlines and are accessible and creative on your behalf. We will take the initiative to identify improvement opportunities and to develop plans for capturing them. We will bring outstanding, qualified practitioners to your service and keep them there. In short, we will be fully responsive to the County's needs. We look forward to re-establishing our professional relationship with you.

Reem Samra is authorized to make representations for our firm and bind our firm by a contract. This proposal is a firm and irrevocable offer for 60 days after the date of the proposal. Please do not hesitate to contact Reem directly at +1 214 840 7376 or via e-mail at rsamra@deloitte.com if you should need additional information about any aspect of this proposal. We have a dedicated team prepared to serve you.

Yours truly,



Reem Samra
Director, Deloitte & Touche LLP

PRICING PROPOSAL FORM

RFQ 2015-074-6528 FINANCIAL AUDITS OF DALLAS COUNTY, IT GENERAL CONTROLS, JUVENILE BOARD, AND COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT

DESCRIPTION	ESTIMATED WORK HOURS	ANNUAL COST FOR FY 2015	ANNUAL COST FOR FY 2016	ANNUAL COST FOR FY 2017	ANNUAL COST FOR FY 2018	ANNUAL COST FOR FY 2019
<i>FEES SHALL BE INCLUSIVE OF ALL WORK-HOUR COSTS, REIMBURSEMENTS, PRINTING AND POSTAGE.</i>						
BASE AUDIT FEE						
1. Financial audit for Dallas County including CAFR and management letters for Dallas County.	1,600	\$ 248,000	\$ 260,800	\$ 273,600	\$ 286,400	\$ 300,800
2. Financial audit for Dallas County funds administration by the Dallas County Juvenile Probation Department.	130	\$ 20,150	\$ 21,190	\$ 22,230	\$ 23,270	\$ 24,440
4. Compliance Audit related to the Public Funds. • Investment Act (may be included with financials and internal controls.)	32	\$ 4,960	\$ 5,216	\$ 5,472	\$ 5,728	\$ 6,016
5. Financial Audit for Criminal Justice • Department funds administration by the Community Supervision and Corrections Department (CSCD).	200	\$ 31,000	\$ 32,600	\$ 34,200	\$ 35,800	\$ 37,600
5. Single Audit for Dallas County federal and state financial assistance.	900	\$ 139,500	\$ 146,700	\$ 153,900	\$ 161,100	\$ 169,200
Agreed upon audit procedures for Section 8 Housing. • Choice Voucher Program-REAC.	32	\$ 4,960	\$ 5,216	\$ 5,472	\$ 5,728	\$ 6,016
7. Financial Audit for the Charter School.	250	\$ 38,750	\$ 40,750	\$ 42,750	\$ 44,750	\$ 47,000
TOTAL BASE PRICING:	3,144	\$ 487,320	\$ 512,472	\$ 537,624	\$ 562,776	\$ 591,072
<i>FEES SHALL BE INCLUSIVE OF ALL WORK-HOUR COSTS, REIMBURSEMENTS, PRINTING AND POSTAGE.</i>						
ADDITIONAL AUDIT RELATED SERVICES						
1. Information Technology General Controls (ITGC) review of Dallas County's IT system and organization.	350	\$ 54,250	\$ 57,050	\$ 59,850	\$ 62,650	\$ 65,800
2. Provide a fixed hourly rate for other audit related services that may arise in conjunction with scope changes and changes to auditing procedures.		\$ 155	\$ 163	\$ 171	\$ 179	\$ 188
3. Value added options.						
TOTAL ADDITIONAL SERVICES PRICING:	350	\$ 54,250	\$ 57,050	\$ 59,850	\$ 62,650	\$ 65,800

EXHIBIT "D"
("Sample Invoice)

