



# Arizona Supreme Court

Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007

Request for Qualification

RFQ 02-06

Auditing Services for Arizona Courts

November 15, 2002

This Request for Qualification (RFQ) package contains all the information needed to complete and submit a response. Offerors are encouraged to review the RFQ package in detail.

A total package will include all the required items as listed in Section IV, Specifications and Response Content. Each page should be clearly marked with the offeror's name and the Response Identification Number 02-06

SECTION I - LEGAL ADVERTISEMENT ..... Page 3

This Section is a replication of the legal advertisement that appeared in the Arizona Republic on November 15, 2003. Important information not included in the legal advertisement is also provided in this section.

SECTION II - RESPONSE SCHEDULE ..... Page 5

This Section outlines the schedule the Arizona Supreme Court intends to follow in issuing this RFQ and selecting the contractor(s). The Arizona Supreme Court reserves the right to deviate from this schedule.

SECTION III -INSTRUCTIONS AND PROCEDURES FOR SUBMITTING  
RESPONSES ..... Page 6

This Section outlines instructions and procedures for the preparation and submission of responses.

SECTION IV -SPECIFICATIONS AND RESPONSE CONTENT .....Page 10

This Section contains the specifications detailing the services covered by this RFQ

SECTION V- RESPONSE EVALUATION CRITERIA ..... Page 13

This Section identifies the evaluation criteria to be used by the Arizona Supreme Court in reviewing all responses submitted pursuant to this RFQ.

ATTACHMENT A – RESPONSE SUBMITTAL LETTER ..... Page 14

This Attachment contains the transmittal letter offerors **must** use in submitting their responses.

ATTACHMENT B -STANDARD TERMS & CONDITIONS

## SECTION I

Legal Advertisement

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The Arizona Supreme Court, Administrative Office of the Courts (hereafter referred to as AOC) is soliciting sealed responses from qualified vendors who wish to be pre-qualified to provide auditing services to the Arizona Courts on an "as needed" basis and to establish an hourly rate of compensation for such services.

Request for Qualifications 02-06 may be obtained from the Arizona Judicial Department's website at <http://www.supreme.state.az.us/rfp> or by contacting:

Don Bentley, Procurement Officer  
Arizona Supreme Court  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007  
Telephone: (602) 542-9329

Persons with disabilities may call Mr. Bentley at the above number or text telephone (TDD) (602) 542-9545 regarding availability of information in alternate formats.

Completed, sealed responses must be physically in the possession of the AOC at the above stated address no later than 3:00 P.M., Arizona Time on December 12, 2002. The proposals must be clearly labeled "SEALED PROPOSAL NO. 02-06". A public opening will be conducted shortly thereafter.

This announcement does not commit the AOC to award a contract or to pay any costs incurred in the preparation of proposals. The AOC reserves the right to accept or reject, in whole or in part, all proposals submitted and/or to cancel this announcement. All contracts awarded shall be based on the proposals most advantageous to the AOC, all factors considered. All contracts awarded are subject to the availability of funds. Multiple contracts may be awarded.

**IMPORTANT INFORMATION NOT INCLUDED IN THE LEGAL ADVERTISEMENT:**

The public opening will be conducted at 3:00 p.m., Arizona Time on December 12, 2002 at the Arizona State Courts Building, 1501 West Washington, Phoenix, Arizona 85007; in Conference Room 230.

This Request for Qualification (RFQ) is being issued solely for the procurement of contracts for auditing services in which no warranty, express or implied, is made to the contractor(s) by the Arizona Supreme Court that any services will be purchased during the term of the contract. Any contract(s) awarded pursuant to this RFQ shall state that the services will be purchased only on an "as needed" basis. The specific tasks, deliverables, and costs for services purchased under any contract(s) awarded pursuant to this RFQ shall be detailed in a written work order, signed by both parties.

It is the intention of the Arizona Supreme Court to award contracts for a two-year period, commencing on January 3, 2003, with options to extend for up to two additional years, pending availability of funds and satisfactory contractor performance. Multiple contracts may be awarded.

The Arizona Supreme Court reserves the right to issue other Invitations for Bids, Requests for Proposals, or Requests for Qualification for the same or similar services as specified in this RFQ during the term of any contract(s) awarded pursuant to this RFQ, as dictated by the scope or nature of services needed and the Rules Prescribing Procurement Policies and Procedures for the Judicial Branch.

Americans with Disabilities Act

People with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility.

Requests for special accommodations should be made as early as possible to arrange the accommodation. If you require special accommodations, please call (602) 542- 9527 or text telephone (TDD) (602) 542-9545.

## SECTION II

RESPONSE SCHEDULE

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	Activity	Date
1.	Request for Qualification (RFQ) Published	November 13, 2002
2.	Response Due Date*	December 12, 2002

NOTE: The Arizona Supreme Court reserves the right to deviate from this schedule.

\* Responses received after 3:00 p.m., Arizona Time, on December 12, 2002, will be accepted but will not be opened and will not be taken into consideration.

## SECTION III

INSTRUCTIONS AND PROCEDURES FOR SUBMITTING RESPONSES

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1. By submission of a response, the offeror certifies that:
  - a. The offeror has not paid or agreed to pay any person, other than a bona fide employee, a fee or a brokerage resulting from the award of this contract.
  - b. The prices in the response have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other vendor.
2. The offeror has sole responsibility for any contracts/agreements made with any subcontractors in relationship to this RFQ.
3. Preparation of the Response:
  - a. Offerors are expected to examine all documents, forms, specifications, standard provisions, and instructions. Failure to do so will be at the offeror's risk.
  - b. Each offeror shall furnish all information required by the RFQ for each response submitted. Offerors should refer to Section IV for the list of items to be submitted with each response.
4. Submission of Response:
  - a. Sealed responses must be received no later than 3:00 p.m. Arizona Time, on December 12, 2002, by the Arizona Supreme Court, Administrative Office of the Courts, 1501 West Washington, Suite 221, Phoenix, Arizona, 85007. Responses must be in the actual possession of the Arizona Supreme Court on or prior to the exact time and date. Late responses will not be opened or considered under any circumstances.

5. Explanation to Offerors: Any explanation or clarification desired by an offeror regarding the meaning or interpretation of the RFQ, specifications, etc., shall be directed to:

Mr. Don Bentley  
Procurement Officer  
Arizona Supreme Court Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007  
Telephone: (602) 542-9329  
Fax: (602) 542-9735

Any inquiries/questions related to this RFQ are to be directed in writing to the contact person below. Any verbal or written inquiries directed to anyone other than the contact person specified below will not be considered. All questions must be submitted at least ten (10) days prior to the response due date to:

Don Bentley, Procurement Officer  
Arizona Supreme court  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007-3231  
Email: [dbentley@supreme.sp.state.az.us](mailto:dbentley@supreme.sp.state.az.us)  
Fax: (602) 542-9735

The question and response will be posted on the Arizona Judicial Department's website. Any explanations or clarifications given at the website will be considered added to the specifications. Interested parties must check the website at:

<http://www.supreme.state.az.us/rfp>

The Supreme Court may, by written notice to the offerors, cancel any award under this RFQ if it is found by the Supreme Court that gratuities, in the form of entertainment, gifts, or otherwise were offered or given to any representative of the Supreme Court with a view toward securing favorable treatment with respect to this RFQ.

A pre-bid conference will **NOT** take place.

6. Public Opening: A public opening of responses shall be held in the Arizona State Courts Building, 1501 West Washington, Phoenix, Arizona, Conference Room 230, on December 13, 2002 at 3:00 p.m., Arizona Time. At that time, the name of each offeror shall be publicly read and recorded. This record shall be open to public inspection after the opening. The responses shall be open for public inspection after any contract is entered into. However, where the offeror designates and the Supreme Court concurs,

trade secrets or other proprietary data contained in the response documents shall remain confidential.

7. Offerors submitting responses shall furnish satisfactory evidence of acceptable insurance coverage prior to the commencement of work. Acceptable insurance coverage consists of:
  - a. Workmen's Compensation Insurance as required by state and federal statutes covering any and all employees or agents of the Contractor who are or may be engaged in the performance of the services required by the contract. Self-insured contractors must furnish proof of self-insurance as required by state and federal statutes.
  - b. Comprehensive general umbrella liability insurance with a minimum combined single limit of One Million Dollars (\$1,000,000) for each occurrence. This policy shall include but not be limited to, coverage for all injuries to person and damage to property both real and personal.
  - c. Comprehensive automobile liability insurance covering bodily injury and property damage of not less than \$100,000 per person and \$300,000 per accident for bodily injury, and not less than \$100,000 property damage per accident for any of the Contractor's vehicles (whether owned, hired or borrowed) that are used by Contractor, its employees or agents, in performing any duties or services required under the contract.
  - d. Professional liability insurance in an amount not less than One Million Dollars (\$1,000,000).
  - e. Valuable papers insurance in an amount sufficient to assure the restoration of any working papers, documents, memoranda, reports, or other similar data relating to the work or reports of the accountant/auditor used in the completion of this contract.

## SECTION IV

SPECIFICATIONS AND RESPONSE CONTENT

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## General Information and Criteria

Article 6, Section 3, of the Arizona Constitution grants administrative supervision over all the courts of the State to the Supreme Court. The Supreme Court is also responsible for administering several state-funded or authorized programs. In carrying out its constitutional and statutory responsibilities, the Supreme Court, through the Administrative Office of the Courts, provides administrative support and technical assistance to Arizona's courts, and intends to contract with qualified accountants/auditors to provide professional services to any of Arizona's courts on an "as needed" basis.

The specific tasks, deliverables, and costs for services purchased under any contract(s) awarded shall be detailed in a written work order signed by both parties.

Offerors must be independent Certified Public Accountants or Public Accountants currently licensed by the Arizona State Board of Accountancy, or Certified Internal Auditors.

The term "auditing services" is being used generically to refer to financial audits, performance audits, reviews, agreed-upon procedures engagements, etc. The specific type of service required will typically not be known until the need for the service arises.

There is an ongoing need for one type of agreed-upon procedures engagement that may be obtained from contracts awarded from this RFQ. An "external review" of each court by auditors must be performed no less than every three years. The document titled "Minimum Accounting Standards, Compliance Checklist and Guide for External Reviews by Auditors" describes this requirement and is provided as Attachment C of this RFQ. OFFERORS MAY CHOOSE TO BE PRE-QUALIFIED ONLY FOR "EXTERNAL REVIEW" ENGAGEMENTS. IF SO, PLEASE INDICATE ON THE RESPONSE SUBMITTAL LETTER (ATTACHMENT A).

Response Content:

1. Response Submittal Letter

Offeror must submit a Response Submittal Letter as provided in Attachment A.

2. References

The response should include a description of experience of the offeror in performing recent auditing services similar to those anticipated by this RFQ (court or other public sector auditing preferred). The following data should be included for at least three such engagements:

- a. the date of the engagement
- b. the name and address of the client organization, and
- c. the name and telephone number of the individual in the client organization who is familiar with the audit.

3. Proposed Staff Identification

Identify (by name and job title) the proposed staff that would be involved in the performance of services outlined in this RFO. Include the resumes of proposed staff .

4. Cost/Price

The response should include a proposed cost or price per hour of service.

Multiple hourly costs may be proposed to reflect varying levels of expertise, responsibility and activity of proposed staff. Direct costs (e.g. travel, postage and printing) should **NOT** be included in the proposed hourly cost. Any contract(s) awarded shall include a provision stating that travel expenses, if any, necessary for and incurred in the performance of services shall be reimbursed to the contractor in accordance with the Arizona Judicial Branch Travel Reimbursement Policy.

If by mutual agreement of the court and the contractor, it is in the collective interest to contract certain projects at a fixed fee with specific contract scope and deliverables, such contracts may be negotiated.

5. Vendor Profile (Attachment B)

- a. A description of the offeror's organization
- b. The location of the office(s) from which the work is to be performed

6. Other

- a. A description of the local office's capability to audit computerized systems.
- b. An affirmation that the offeror meets the independence standards outlined in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- c. An affirmation that the offeror does not have a record of substandard audit work. (List any consent orders involving firm or members of firm).
- d. A copy of the offeror's most recent external quality control review opinion.

SECTION V  
RESPONSE EVALUATION CRITERIA

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Responses will be evaluated in two phases:

1. An initial review to determine the responsiveness to the requirements of the Request for Qualification (RFQ). For a response to be considered complete, it must meet the following tests:
  - a. A sealed original and five (5) copies must be physically in the possession of the Arizona Supreme Court.
  - b. The response must be complete and contain no substantive errors or omissions.
  - c. The original and all copies of the response must be typed.
2. An in-depth analysis and evaluation based upon the following criteria and their relative importance:

<u>Criteria</u>	<u>Relative Importance</u>
a. The offeror's ability and prior experience in performing the services, with preference (more points) being given for demonstrated experience and expertise with the public sector, and courts in particular.	60%
b. Price or cost.	40%

**ATTACHMENT A  
Response Submittal Letter**

Mr. Don Bentley  
Arizona Supreme Court  
Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007

Dear Mr. Bentley:

In response to your Request for Qualification (RFQ) number 02-06, please accept this response covering the following indicated services:

- All auditing services
- External reviews only, as described in Supreme Court Administrative Order 97-62

In submitting this response, I hereby certify that:

1. The RFQ has been read and understood;
2. The materials requested by the RFQ are enclosed;
3. All information provided is true, accurate, and complete to the best of my knowledge;
4. The response is submitted by a:

Individual  Partnership  Corporation  Other: \_\_\_\_\_

5. This response is submitted by, or on behalf of, the party that will be legally responsible for service delivery should a contract be awarded.

_____	_____
Signature of Authorized Official	Date

Name of Signatory: \_\_\_\_\_

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

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

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

Federal Employer ID# or SSN#: \_\_\_\_\_

**Attachment B**

**VENDOR PROFILE**

(Information can be on a separate sheet)

What is the physical address, mailing address, and fax number of your company's main office?

Who in your company will be our primary point of contact during the proposal evaluation process? (Please provide name, title, direct phone number, e-mail address, fax number, and mailing address).

Who in your company is authorized to negotiate a contract with us? (Please provide name, title, direct phone number, fax number, and mailing address).

Comment on any partnerships(s) with other vendors.

**ATTACHMENT C**  
**AUDITING SERVICES CONTRACT**

**ARIZONA SUPREME COURT  
ADMINISTRATIVE OFFICE OF THE COURT**

Auditing Services Contract

This Contract is made and entered into between the Arizona Supreme Court ("Court") and \_\_\_\_\_("Contractor").

**TERM OF CONTRACT**

This contract shall begin on \_\_\_\_\_, and terminate on \_\_\_\_\_. The Court reserves the option to extend this contract for two additional years pending availability of funds and subject to satisfactory contractor performance.

**DESCRIPTION OF SERVICES**

The Contractor agrees to provide any of the following services to the Court on an "as needed" basis as provided in work orders entered pursuant to this contract:

- financial audits
- compliance audits
- performance audits
- agreed-upon procedures engagements
- external reviews as described in Supreme Court Administrative Order 97-62

Financial and compliance audits shall be performed in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Arizona Revised Statutes 41- 1279.07.

Performance audits shall be performed in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Agreed-upon procedures engagements shall be performed in accordance with the information provided by the American Institute of Certified Public Accountants, *Codification of Professional Standards, AT Section 600, Statement on Standards for Attestation Engagements (SSAE's) No.4, Agreed-upon Procedures Engagements*.

External reviews shall be performed in accordance with Supreme Court Administrative Order 97-62, *Minimum Accounting Standards for Arizona Courts*, or any succeeding administrative order or code section.

**OTHER CONTRACTS**

The Court may perform additional work related to this Contract or award other contracts for such work. The Contractor shall cooperate fully with such other contractors or state employees in the scheduling of and coordination of its own work with such additional work.

**STATEWIDE PURCHASING**

Any Arizona court or any political subdivision obtaining services described in this Contract for an Arizona court or judicial branch unit is an authorized user of services under this contract. Contractor agrees to provide such services at the Contract prices and under the Contract terms. An authorized user may engage the contractor to perform specific work under this Contract by soliciting written proposals. Contractor proposals shall detail the work plan, including assigned staff, deliverables, timeframes and a "not to exceed" cost for the engagement. The authorized user and contractor shall enter a written work order that provides terms and conditions of the engagement not inconsistent with this Contract and incorporates the successful proposal by reference. All obligations undertaken in such a work order are obligations of the authorized users and not an obligation of the Court unless the Court requests the engagement and executes the work order. Such a work order is subject to termination by the authorized user under the termination provisions of this Contract.

Any attempt to represent any service as being under contract with the Court which is not a subject of or addition to this Contract is a violation of the Contract and the Judicial Branch Procurement Rules. Any such action is subject to the legal and contractual remedies available to the Court inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

**CHANGE PROCEDURES**

The following procedure will be used to manage changes in the scope, schedule and cost of work to be performed under any workorder not expected to cause the cost of the engagement to exceed the "not to exceed price" or to cause the completion date of the engagement to be delayed.

1. The party requesting the change will deliver a written description of the change to the other party's designee, including the rationale and the effect the change will have on the project cost, schedule and other terms of this agreement, if known.
2. The party receiving the change request will review the proposed change and accept or reject it. If rejected, the change request may be abandoned, modified and resubmitted by either party or the parties may jointly determine the need for and scope of the change and agree on the impacts. If accepted, the change will be implemented and the deliverables or other documents or terms affected shall be modified accordingly.
3. Written approval of the change by the designated official of the authorized user constitutes authorization to proceed with the work required by the change.

**PAYMENT FOR SERVICES**

The authorized user shall pay the Contractor no more than the "not to exceed" cost proposed for the engagement, in accordance with the proposed work plan and the hourly rates established in the Contractor's proposal, attached as **Appendix A** of this Contract and incorporated herein by reference. The parties may negotiate a fixed price for an engagement. The total amount paid under this Contract shall include all services and related expenses such as travel charges, per diem costs, and all applicable taxes. Travel expenses, if any, necessary for and incurred in the performance of services shall be reimbursed to the contractor in accordance with the current version of the Arizona Judicial Branch Travel Reimbursement Policy, incorporated herein by reference. Payment shall be made upon completion of all work and upon the submission of an invoice by the Contractor. Subject to the availability of funds, the authorized user shall process and remit to Contractor within 30 days of the date of receipt of Contractor's statement or invoice a warrant for payment of services.

**AVAILABILITY OF FUNDS**

Payments for contractual obligations are contingent on funds for that purpose being appropriated, budgeted, and otherwise made available, and the provisions of the contract and any work orders entered pursuant to the contract shall be effective only when funds appropriated for the purpose of compensating Contractor are actually available to the authorized user for disbursement. The chief executive of the authorized user shall be the sole authority for determining the availability of funds.

**LICENSES AND PERMITS**

Contractor shall, at its expense, obtain and maintain all licenses, permits, and authority necessary to do business, render services, and perform work under this Contract, and shall comply with all laws regarding unemployment insurance, disability insurance, and worker's compensation.

**PERSONNEL, ASSIGNMENTS AND SUBCONTRACTS**

Personnel not identified in Contractor's proposal, attached as **Appendix A**, shall not be substituted for identified personnel and rights or obligations under this Contract shall not be assigned, delegated, or subcontracted in whole or in part, without the prior written approval of the Court.

**NON-DISCRIMINATION**

Contractor shall not discriminate against any employee or applicant for employment because of race, age, handicap, color, religion, sex, or national origin. Contractor shall comply with the applicable sections of Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1975; State Executive Order No. 75-5, Section 503 of the Rehabilitation Act of 1973, as amended, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act and all other applicable federal and state discrimination laws. Contractor shall include a clause to this effect in all subcontracts related to this Contract.

**RELATIONSHIP OF PARTIES - INDEPENDENT CONTRACTOR STATUS**

It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. The Contractor is an independent contractor in the performance of work and the provision of services under this Contract, and taxes or Social Security payments shall not be withheld from a Court payment issued hereunder.

**CRIMINAL HISTORY CHECK**

The Court may require Contractor to provide identifying information, that may include fingerprints, for Contractor and any individuals working for Contractor in judicial facilities or with access to judicial information for the purpose of conducting a criminal history records check for security purposes. Contractor agrees to cooperate with such requests and understands that the Court may terminate this Agreement if the results of the criminal history records check would disqualify the Contractor or individual and there is no acceptable alternative.

**RECORDKEEPING**

Contractor shall create and retain financial records and other documents relevant to this contract for a period of not less than five years from the ending date of this contract. The Court or its auditor shall have access to such records during the retention period.

**CONFIDENTIALITY OF RECORDS**

The Contractor shall establish and maintain procedures and controls that are acceptable to the Court for the purpose of assuring that no information contained in its records or obtained from the Court or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the Court. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the Court. Any unauthorized disclosure of confidential information shall constitute a breach of the Contract.

**OWNERSHIP OF INFORMATION**

Title to all reports, information, or data, prepared by Contractor in performance of this Contract shall vest with the Court or authorized user. Subject to applicable state and federal laws and regulations, Court or authorized user shall have full and complete rights to reproduce, duplicate, disclose, and otherwise use all such information.

**INDEMNIFICATION**

Contractor agrees to defend, indemnify, and save harmless the State of Arizona and any authorized user and their departments, agencies, boards and commissions, and all their officers, agents, and employees, each severally and separately, against any and all liabilities, demands, claims, damages, losses, costs, and expenses of whatsoever kind or nature arising out of, resulting from, or which would not have occurred or existed but for the negligence of the Contractor, its employees, or its agents.

**INSURANCE**

**a. Basic Coverage.** Before work is performed under this Contract and while such work is continuing, Contractor shall provide and at all times maintain the insurance coverage set forth below with insurers acceptable to the Court. Contractor shall also require and ensure that any subcontractors maintain adequate insurance while rendering services for the Contractor under this Contract.

(1) Workmen's compensation insurance as required by state and federal statutes covering any and all employees or agents of Contractor who are or may be engaged in the performance of any services required by this Contract. Self-insured contractors must furnish proof of self-insurance as required by state and federal statutes.

(2) Comprehensive general umbrella liability insurance with a minimum combined single limit of One Million Dollars (\$1,000,000) for each occurrence. This policy shall include but not be limited to, coverage for all injuries to persons and damage to property both real and personal.

(3) Comprehensive automobile liability insurance covering bodily injury and property damage of not less than \$100,000 per person and \$300,000 per accident for bodily injury, and not less than \$100,000 property damage per accident for any of the Contractor's vehicles (whether owned, hired or borrowed) that are used by Contractor, its employees or agents, in performing any duties or services required under this Contract. The coverage required in this paragraph must be obtained only if a vehicle is used in performing contract services and may be obtained immediately prior to use of the vehicle.

(4) Professional liability insurance of not less than one million dollars (\$1,000,000) for each occurrence.

(5) Valuable papers insurance in an amount sufficient to assure the restoration of any working papers, documents, memoranda, reports, or other similar data relating to the work or reports of the Contractor used in the completion of this contract.

**b. State As Additional Insured.** All liability insurance required under this Contract, except professional liability insurance, shall name the State of Arizona, its agents, officials and employees as additional insured parties under each policy. The insurance required of the Contractor under this Contract shall be primary insurance and any and all coverage provided by the State of Arizona shall be secondary, liable only for excess exposure after all the coverage afforded by Contractor's insurance has been exhausted.

**c. Certificate of Insurance.** Prior to performing services or using a vehicle in the performance of services under this Contract, the Contractor shall furnish to the Court a duly executed certificate of insurance stating that coverage required by this Contract and naming the State of Arizona, its agents, officials, and employees as additional insureds has been secured. The certificate shall state that the insurance shall not be canceled or modified in any manner without at least thirty (30) days prior written notice of the Court. The State of Arizona shall have the right to request and receive copies of the policies required under this Contract at any time from the companies issuing the policies.

**d. Termination for Lack of Insurance.** Should the Contractor for any reason fail to maintain the insurance coverage required under this Contract continuously or fail to provide proof of this coverage, the Court in its sole discretion may terminate this Contract with no liability to the Contractor except as otherwise provided in this Contract for termination due to breach by the Contractor.

## DISPUTES

**a. General Procedure.** If any dispute arising under the Contract is not disposed of by agreement between the parties then the Court or authorized user official identified in the notice section of the work order shall decide the dispute in writing and send a copy of the decision to Contractor. The contract administrator's decision may be appealed according to Supreme Court Administrative Policy 7.04. Pending the final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the Contract in accordance with the contract administrator's decision.

**b. Arbitration.** After exhausting applicable administrative reviews, the parties agree to use arbitration where the sole relief sought is monetary damages of Ten Thousand Dollars (\$10,000) or less, exclusive of interest and costs, pursuant to A.R.S. §12-1518.

**c. Continued Performance.** The Court and the Contractor agree that the existence of a dispute notwithstanding, they will continue without delay to carry out all their responsibilities under this Contract that are not affected by the dispute. .

## TERMINATION AND BREACH

The Court or an authorized user may terminate this Contract or a work order respectively under any of the following conditions:

**a. General Procedure.** The Court, in addition to other rights set forth elsewhere in the Contract, reserves the right to terminate this Contract, in whole, or in part, without cause, effective thirty (30) days after mailing written notice of termination by certified mail, return receipt requested, to the Contractor. In the event of termination, the Contractor shall stop all work as specified in the notice of termination and immediately notify all subcontractors in writing to do the same. Contractor shall be paid the Contract price for all services and items completed up to the date of termination, and shall be paid its reasonable, actual costs for work in progress as determined by generally accepted accounting principles and practices. Upon such termination,

the Contractor shall deliver to the Court a complete set of all documents, programs, and other information described in the Contract.

**b. Undue Influence.** The Court may, by written notice to the Contractor, also terminate this Contract if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the Court with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of such Contract. If the Contract is terminated under this section, the Court shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity. Paying the expense of normal business meals which are generally made available to all eligible customers shall not be prohibited by this paragraph.

**c. Conflicts of Interest.** The Court may cancel this Contract without penalty or further obligation to the State pursuant to A.R.S. §38-511, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Contract on behalf of the Court is or becomes at any time, while this Contract or any extension of this Contract is in effect, an employee of any other party to this Contract in any capacity or a consultant to any other party to this Contract with respect to the subject matter of this Contract. Cancellation shall be effective when written notice from the Court is received by all parties to this Contract, unless the notice specifies a later time.

**d. Breach of Contract.** The Court may terminate all or any part of this Contract due to failure by the Contractor to carry out any material obligation, term or condition of the Contract and after dispute resolution measures provided in paragraph (a) of the "Dispute" section above have been exhausted. The Court will issue written notice to Contractor for acting or failing to act. Upon receipt of the written notice, the Contractor shall have ten (10) days to respond. At the end of the ten day period, the Court may exercise any of the following remedies:

- (1) Cancel the contract immediately;
- (2) Reserve all rights or claims to damage for breach of the Contract;
- (3) Perform any test or analysis for compliance with the specifications of the Contract. If the results of any test or analysis confirms a material noncompliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;
- (4) Contract for completion of the required work in accordance with the Judicial Branch Procurement Code. The Contractor shall pay any reasonable actual excess costs up to the greater of \$100,000 or the cost of substitute services.

**f. Breach of Work Order.** An authorized user shall have the same rights and shall use the same process to terminate a work order for breach as the Court as stated above when the Court is considering terminating this contract for breach.

**e. Partially Completed Reports.** If this Contract or a work order entered under this contract is terminated as provided herein, the Court or authorized user, in addition to any other rights provided in this section, may require the Contractor to transfer title to and deliver, in the manner and to the extent directed, such partially completed reports or other documentation as the Contractor has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated. Payments for completed reports and other documentation delivered to and accepted shall be at the Contract price. Payment for partially completed reports and other documentation delivered to and accepted shall be in an amount provided in the work order.

## **NOTICES**

Notices required pursuant to the terms of this Contract or a work order shall be in writing and shall be issued by or directed to the Court's or the authorized user's designee and Contractor's designee at the addresses specified in this Contract or in a work order or to such other person and address as either party may specifically designate to the other party by written notice. Notices shall be delivered in person or by certified mail, return receipt requested.

### **Notice to the Court:**

Administrative Office of the Courts  
 Administrative Services Division  
 Arizona Supreme Court  
 1501 W. Washington, Ste 221  
 Phoenix, Arizona 85007

Attn.: Victoria Prins

### **Notice to the Contractor:**

## **AMENDMENTS AND WAIVERS**

Amendments to this Contract or a work order shall be in writing and shall be signed by all parties to the Contract or work order. To the extent that any amendments are in conflict with basic terms and conditions, the amendments shall control the interpretation of the Contract or work order. No condition or requirement contained in or made a part of this Contract shall be waived or modified without a written amendment to this Contract. An amendment to a work order shall be required to authorize payment beyond the "not to exceed" price and beyond the completion date of an engagement.

**RIGHTS AND REMEDIES**

No provision in this document or in the Contractor's offer shall be construed, expressly or by implication as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract or to exercise or delay the exercise of any right or remedy provided in the Contract, or by law, or the acceptance of materials or services, or the payment for materials or services, shall not release either party from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.

**ARIZONA PROCUREMENT CODE**

The Arizona Procurement Code (A.R.S. Title 41, Chapter 23) and the Arizona Supreme Court Rules Prescribing Procurement Policies and Procedures for the Judicial Branch (Judicial

Branch Procurement Rules) are incorporated by reference as a part of this document as if fully set forth herein.

**APPLICABLE LAW**

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Contract and any dispute thereunder. Any action relating to this Contract shall be brought in an Arizona Court in Maricopa County. Any changes in the governing laws, rules and regulations during the terms of this Contract shall apply and do not require an amendment to this Contract.

**PROVISIONS REQUIRED BY LAW**

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

**SEVERABILITY**

If any provision of the Contract is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

**ENTIRE AGREEMENT**

The Contract contains the entire agreement between the Court and the Contractor concerning the subject transaction and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders or master agreements in any form.

**EVALUATION**

The Court may evaluate any services provided by the Contractor and may assess Contractor's progress and success in achieving the goals and objectives described in the service section of this Contract. The contractor shall provide the court access to staff and records related to this contract as requested to perform this evaluation. Evaluation reports shall be made available to Contractor upon request.

ARIZONA SUPREME COURT  
Administrative Office of the Courts

Certified Public Accountants

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

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

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

Social Security or Federal  
Employer Identification

No. \_\_\_\_\_