

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 2015-0060)

THIS PROCUREMENT AGREEMENT (“AGREEMENT”) is by and between the City of Franklin, Tennessee (“CITY”), and Crosslin & Associates, PLLC of Nashville, Tennessee (“VENDOR”), who mutually agree as follows:

1. CITY issued (a) on January 16, 2015 Purchasing Office Solicitation Nos. 2015-020 and 2015-021, a procurement solicitation for proposals for financial and compliance auditing services for the fiscal year ending June 30, 2015, with up to four (4) additional consecutive one-year optional renewals for fees established at the time of the initial proposal, for a maximum possible term of award of auditing five (5) fiscal years total, (b) on February 4, 2015 Addendum No. 1 to Purchasing Office Solicitation Nos. 2015-020 and 2015-021, and (c) on February 16, 2015 Addendum No. 2 to Purchasing Office Solicitation Nos. 2015-020 and 2015-021 (collectively, “SOLICITATION”), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY’s SOLICITATION, VENDOR submitted a proposal (“SUBMITTAL”) dated February 19, 2015 for financial and compliance auditing services for audit of CITY, a copy of which SUBMITTAL is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has provided two (2) Certificates of Insurance, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein, that collectively meet or exceed CITY’s Insurance Requirements as specified in SOLICITATION.
4. If and when insurance coverage documented by Certificates of Insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall immediately suspend work or supply and delivery unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds CITY’s Insurance Requirements as specified in SOLICITATION.
5. In the event that insurance coverage documented by Certificates of Insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall, immediately upon learning of any such material modification or cancellation, suspend work or supply and delivery and shall, within three (3) calendar days of such learning, notify CITY of any such material modification or cancellation.
6. VENDOR agrees to impose CITY’s insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by CITY in advance of that subcontractor commencing work for this procurement.
7. VENDOR included in its SUBMITTAL CITY’s Indemnification Agreement, executed for VENDOR.

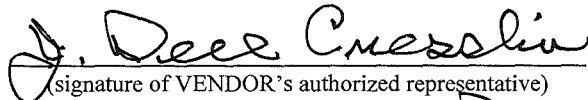
CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

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8. VENDOR has now prepared a Contract to Audit Accounts of CITY ("CONTRACT"), a copy of which is attached hereto as Attachment No. 4 and hereby incorporated by reference as if fully set forth herein.
9. CITY awarded on March 24, 2015 and now desires to retain VENDOR to render financial and compliance auditing services for audit of CITY for the fiscal year ending June 30, 2015, with up to four (4) additional consecutive one-year optional renewals for fees established at the time of the initial proposal, for a maximum possible term of award of auditing five (5) fiscal years total, pursuant to SOLICITATION, SUBMITTAL and CONTRACT.
10. The term of award shall be for audit of the fiscal year ending June 30, 2015. At any time after commencement but before or as soon as practicable after the completion of the scope of work, CITY and VENDOR may, by mutual consent, exercise not more than four (4) options to extend the term of award, each time for the audit of one (1) additional fiscal year, for a maximum possible term of award of auditing five (5) fiscal years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, based upon fees for the respective extension established at the time of the initial proposal; and (d) that if VENDOR chooses not to consent to an extension to the term of award, then it shall notify CITY of that decision a minimum of six (6) months in advance of the end of the fiscal year to be audited that would be the subject of the next possible extension. Note that CITY and VENDOR each specifically retain the non-exclusive right, with or without cause, not to extend the term of award.
11. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) CONTRACT; (b) this AGREEMENT; (c) SOLICITATION; and (d) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:


(signature of VENDOR's authorized representative)

TITLE: Managing Principal

For CITY:

(signature of CITY's authorized representative)

TITLE: Mayor

Approved as to Form:

Attorney for City of Franklin

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Attachment No. 1

SOLICITATION

NOTICE TO PROPOSERS

NOTICE IS HEREBY GIVEN that the City of Franklin, TN, will receive sealed written proposals in the City's Purchasing Office, City Hall, Suite 107, 109 3rd Avenue South, Franklin, TN 37064, until 2:00 p.m. Central Time on February 17, 2015, at which time and location they will be publicly opened, for the following procurement: municipal financial and compliance auditing services (Purchasing Office Solicitation Nos. 2015-020 and 2015-021). Proposals must be prepared and submitted in accordance with the City of Franklin's request for proposals and other procurement documents pertaining to this solicitation, including any addenda that may be issued, available on the Business Opportunities page of the City's website (<http://www.franklintn.gov/>) or by contacting the City of Franklin Purchasing Office (purchasing@franklintn.gov; 615/550-6692). The City reserves the right to reject any and all proposals, and to waive formalities.

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DATE OF PUBLICATION OF THIS NOTICE TO PROPOSERS: **January 15, 2015**

City of Franklin Instructions for Proposers

Purchasing Office Solicitation No.: 2015-020 and 2015-021

1. Solicitation identified: These instructions apply to the following procurement:
financial and compliance auditing services
Purchasing Office Solicitation No.: 2015-020 and 2015-021
2. Solicitation packet component documents: These Instructions for Proposers accompany the following documents which, in total, represent the complete solicitation packet:
 - a. Notice to Proposers;
 - b. Instructions for Proposers (this document);
 - c. Request for Proposals;
 - d. Proposal Submittal Form;
 - e. Affidavit of Non-Collusion;
 - f. Affidavit of Title VI Compliance;
 - g. City of Franklin Standard Procurement Terms and Conditions;
 - h. City of Franklin Procurement Agreement form; and
 - i. Indemnification Agreement.
3. Location of opening of proposals: The opening of proposals will be held in the City of Franklin Purchasing Office (see address below, under “Delivery of proposals”), or at another location within the City of Franklin City Hall. If the location of the opening of proposals is other than at the Purchasing Office, such location shall be posted on the front door of the Purchasing Office at least five (5) minutes before the appointed time of such opening of proposals.
4. Who may attend openings of proposals: City of Franklin openings of proposals are open to the public. Proposers are specifically welcome to attend.
5. Withdrawal of proposals; expiration of submittal validity (see also “Errors and omissions” below):
 - a. Before the proposal submittal deadline, submitted proposals may be withdrawn upon the request of the submitting party. At the request of the submitting party, withdrawn proposals may be returned unopened to the submitting party but only at the submitting party’s expense. Such a request to withdraw a proposal and such a request to return a withdrawn proposal must be in writing, shall be addressed to the Purchasing Office, must be received by the Purchasing Office before the proposal submittal deadline, and may be submitted via either e-mail (purchasing@franklintn.gov) or fax (615/550-0079).
 - b. After the proposal submittal deadline, submitted proposals may not be withdrawn.
 - c. Before award, all proposals and associated pricing as submitted shall be considered valid and may be accepted by the City at least through **May 31, 2015** and until the date indicated on the proposer’s Proposal Submittal Form as the “last date that proposal and associated pricing is valid and may be accepted by the City,” up to when the proposed product is no longer available for purchase new.
 - d. Upon award, the accepted proposal and associated pricing shall be considered valid for the term of award (see Request for Proposals).

City of Franklin Instructions for Proposers

Purchasing Office Solicitation No.: 2015-020 and 2015-021

6. Simultaneous but separate procurements: The Request for Proposals identifies two (2) separate scopes of work. Each scope of work is being competitively purchased separately and independently. The City anticipates making two awards – one for each scope of work. Potential service providers are invited to submit proposals for either or both scopes of work. Proposals may be submitted either individually or collectively. Proposers shall mark the Proposal Submittal Form to indicate the scope(s) of work for which the vendor is submitting a proposal. The City may award each scope of work to the same or different proposers.
7. Submittal timing: Proposals are to be delivered *no earlier than* five (5) City of Franklin business days before the submittal deadline. Proposals delivered either more than five (5) City of Franklin business days before the submittal deadline or at any time after the submittal deadline shall be rejected and not evaluated.
8. Proposals rejected on account of timing: Submitters of proposals rejected on account of timing shall be notified by the City of such rejection as soon as practicable. Proposals rejected on account of timing may be retrieved by the submitter at the submitter's expense. The City shall promptly cause to be destroyed and discarded any and all proposals rejected on account of timing and not retrieved by the submitter within five (5) City of Franklin business days of the submitter being notified of the rejection.
9. Proposal to be sealed: Each proposal shall be submitted inside one (1) or more sealed container(s).
10. Submittal to include one (1) set of original documents plus one (1) complete digital set: Please submit one (1) set of proposal documents on paper with original signatures plus one (1) exact and complete digital set. The digital set shall be loaded on either a CD or a flash drive that itself is labeled with the proposer's name. The digital set shall be submitted along with the proposal documents on paper. The contents of the digital set shall contain no more and no less than, and shall be in the same order as, the contents of the proposal documents on paper. For each scope of work for which the proposer is competing, the contents of the digital set shall consist of exactly two (2) files – one for the cost proposal and one for the entire remainder of the proposal, including the technical proposal. Thus, if the proposer is competing for both scopes of work, the contents of the digital set shall consist of exactly four (4) files.
11. Proposal submittal contents: Included with the proposal are to be the following:
 - a. City of Franklin Proposal Submittal Form, executed in full;
 - b. Detailed vendor-supplied description of proposed service(s);
 - c. Identification, listing and description of any exceptions to the procurement solicitation;
 - d. Contact information for required references (see Request for Proposals);
 - e. City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted;
 - f. Vendor's proposed agreement or contract, if any, the terms and conditions of which shall be not inconsistent with the City's Standard Procurement Terms and Conditions;
 - g. City of Franklin Affidavit of Non-Collusion, executed in full; and
 - h. City of Franklin Affidavit of Title VI Compliance, executed in full.

City of Franklin Instructions for Proposers
Purchasing Office Solicitation No.: 2015-020 and 2015-021

12. Proposal container label: The outside face of the proposal container(s) shall be labeled with the following information:
- a. the proposer's name and address; and
 - b. the following text:

SEALED PROPOSAL
City of Franklin solicitation nos. 2015-020 &/or 2015-021 (auditing services)
NOT TO BE OPENED EXCEPT AT
PROPOSAL OPENING February 17,
2015, 2:00 p.m. Central Time
13. Delivery of proposals:
- a. Proposals are to be addressed and delivered to:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064
 - b. Proposals must be printed on paper and signed. A proposal may be mailed via U.S. Mail or shipped or hand-delivered via courier. Proposals submitted to the City electronically (e.g., via e-mail or fax) are not permitted and shall be rejected.
 - c. A proposal is not considered delivered unless and until it has been received by the City of Franklin Purchasing Office at the physical location listed above. A proposal that is en route via U.S. Mail or courier, or delivery of a proposal to another City office or location, does not in and of itself constitute delivery of that proposal to the City of Franklin Purchasing Office.
 - d. The Purchasing Office shall exclusively determine whether a proposal was received before the submittal deadline, and shall use the most accurate time piece available in its office as an aide to doing so.
14. Tabulation of proposals; notice of intent to award: The tabulation of proposals received, as prepared by the City, may also indicate a recommendation as to the selection of the proposal that best meets the needs of the City, in which case the tabulation of proposals received also functions as the City's notice of intent to award. Proposers may request a copy of the tabulation of proposals received by contacting the City's Purchasing Office (see contact information below) at any time on or after the tentative date of release of the City's tabulation of proposals received and notice of intent to award (see Request for Proposals).

City of Franklin Instructions for Proposers

Purchasing Office Solicitation No.: 2015-020 and 2015-021

15. Awards to be made by BOMA: Purchases shall be awarded by the City of Franklin's Board of Mayor and Aldermen. See Request for Proposals for tentative date of award. Purchases shall be awarded to the proposer who submits the proposal that best meets the needs of the City. The awards shall be memorialized in writing, using the City's Procurement Agreement form.
16. Other documents to be required of successful proposer: Before award of the procurement by the City, the successful proposer (that is, the vendor who is recommended be awarded the purchase) shall provide the following documents:
 - a. Vendor-supplied agreement or contract, if any, by and between the City and the proposer to be awarded the procurement, the final terms and conditions of which are mutually acceptable to both parties, executed for the vendor;
 - b. Indemnification Agreement, executed in full;
 - c. Certificate of Insurance that meets or exceeds the City's Insurance Requirements;
 - d. City of Franklin Procurement Agreement form, executed for the vendor; and
 - e. If the vendor prefers to be paid by direct deposit (such as "ACH" or "Electronic Funds Transfer") as opposed to credit card, and if the vendor has not been paid by the City by means of direct deposit within the last two (2) years, then the vendor shall submit a completed City of Franklin Vendor Information Form and IRS Form W-9 (both of which forms are available upon request from the Purchasing Office).
17. City's right to reject proposals, waive formalities: The City of Franklin reserves the right to reject any and all proposals, and to waive formalities.
18. Errors and omissions (see also "Withdrawal of proposals; expiration of submittal validity" above):
 - a. Errors made by the vendor on the Proposal Submittal Form or elsewhere in the vendor's submittal packet that are discovered by the vendor before submittal shall be corrected by the vendor. If such a correction results in altering but not replacing one or more documents, then the vendor's representative shall initial each such correction in non-erasable ink.
 - b. Errors made by the proposer on the Proposal Submittal Form or elsewhere in the proposer's submittal packet that are discovered by the proposer after submittal but before the proposal submittal deadline may be corrected by the proposer but only by submitting such replacement documents as necessary to make the correction. Such a submittal of replacement documents shall be labeled "SEALED AMENDED PROPOSAL" and shall otherwise be submitted pursuant to the same instructions above as for the submittal of the original proposal documents. Such a submittal of replacement documents shall not be submitted electronically, and shall not be submitted after the proposal submittal deadline.
 - c. Uncorrected errors made by the vendor on the Proposal Submittal Form or elsewhere in the vendor's submittal packet shall be considered on a case-by-case basis by the City. Uncorrected errors made by the vendor may be deemed by the City to be so severe as to make the submittal non-responsive. At the discretion of the City, vendors

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Purchasing Office Solicitation No.: 2015-020 and 2015-021

may be permitted to clarify a submitted proposal, but no submittal shall be altered or amended by the vendor after submittal. In the case of a discrepancy between the vendor's unit price for a particular line item as quoted in the proposal and the unit price calculated by dividing the vendor's extension price for that same line item by the quantity indicated for that same line item, then the vendor's unit price for that line item as quoted in the proposal shall prevail.

- d. Omissions from a vendor's submittal packet shall be considered on a case-by-case basis by the City. Omissions may be deemed by the City to be so severe as to make the submittal non-responsive. At the discretion of the City, vendors may be permitted to clarify a submitted proposal, but no submittal shall be altered or amended by the vendor after submittal.

19. Questions, requests for clarifications, and requests to revise the procurement solicitation; addenda: To ask questions, to request clarifications about any aspect of this procurement solicitation, or to request revisions to the procurement solicitation before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of the procurement solicitation, please contact:

City of Franklin Purchasing Office (see address above)

purchasing@franklintn.gov

Tel: 615/550-6692

Fax: 615/550-0079

Depending upon the inquiry, the City may request that the question, request for clarification, or request for revision be submitted in writing, whereupon the City may make all vendors known or thought to be interested in the solicitation aware of the inquiry and of the City's response thereto.

Addenda to this procurement solicitation may be issued. Before submitting its response, it is the responsibility of each respondent to confirm whether any addenda to this procurement solicitation have in fact been issued by the City. To do so, please contact the City's Purchasing Office (see contact information above).

20. Communication with City during procurement phase: Any questions about either the content of or the procurement process pertaining to this procurement solicitation should be addressed as described above. Until the procurement award has been made, vendors shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.
21. Vendor protest: A vendor who feels the need to object to either a deficiency of this procurement solicitation or a proposed award pertaining to this procurement solicitation are encouraged, as soon as possible, to express their concerns to and seek remedy from the Purchasing Manager (see contact information above). Vendors who are not satisfied with, or who choose not to pursue, such an informal resolution of their concerns and who

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Purchasing Office Solicitation No.: 2015-020 and 2015-021

feel compelled to lodge a formal protest about some aspect of a City procurement not pertaining to new construction shall do so pursuant to the City's Vendor Protest Procedure for City procurements not pertaining to new construction, a mandatory administrative procedure which all aggrieved actual or prospective vendors must utilize and exhaust prior to seeking judicial review or remedy. For a copy of the City's Vendor Protest Procedure for City of Franklin procurements not pertaining to new construction, please contact the City's Purchasing Office (see contact information above) or click on the following link: <http://www.franklintn.gov/government/finance-administration/purchasing-office/vendor-protest-procedure>.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

1. Solicitation identified: This Request for Proposals applies to the following procurement:
financial and compliance auditing services
Purchasing Office Solicitation No.: 2015-020 and 2015-021
2. Notice to Proposers publication date: **January 15, 2015**
3. Solicitation release date: **January 16, 2015**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **January 29, 2015, 2:00 p.m. Central Time**
5. Proposals submittal deadline and scheduled opening: **February 17, 2015, 2:00 p.m. Central Time**
6. Tentative date of release of City's tabulation of proposals received and notice of intent to award: **March 6, 2015 or March 20, 2015**
(depending upon whether interviews are conducted)
7. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the proposal that best meets the needs of the City: **March 24, 2015 or April 28, 2015**
(depending upon whether interviews are conducted)
8. Objective: To secure, by means of a competitive procurement process, the selection of a responsive and responsible proposal, that best meets the needs of the City of Franklin, to furnish all labor, materials and means necessary to supply and deliver to the City of Franklin Finance Department the financial and compliance auditing services as described below. See the accompanying Instructions for Proposers for additional information and instructions.
9. Exceptions:
 - a. In order to avoid the need to take an exception to this procurement solicitation, potential proposers may request revisions to the same before the deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation. See the accompanying Instructions for Proposers for contact information.
 - b. Any deviation or variance from this procurement solicitation shall be considered to be an exception.
 - c. Any exceptions to this procurement solicitation shall be listed in detail in a separate document to be prepared by the proposer. Such listing shall include a description of

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations. Any and all exceptions to this procurement solicitation which the City, in its sole discretion, deems not to meet or exceed the City's intention as expressed and implied by the procurement solicitation may be considered by the City as a factor in evaluating the proposal.

10. General terms and conditions:

- a. Proposal price: The proposal price shall include all equipment, labor, materials, permit(s), freight and required insurance to render the specified service(s).
- b. Delivery terms: As a matter of practice, the City expects vendor to ship any and all deliverables FOB destination, freight prepaid and added. The City's preferred delivery terms, as described in the preceding sentence, are offered to the proposer as a condition of award. If the City's preferred delivery terms are unacceptable to the proposer, then the proposer shall indicate on the Submittal Form its preferred delivery terms. Delivery terms may be a factor in the City's selection criteria. Delivery terms are non-negotiable after award is made.
- c. Payment terms: As a matter of practice, the City pays for goods and/or services only after receipt and acceptance by the City of such goods and/or services, and only after receipt of an accurate, proper, complete and itemized invoice for such goods and/or services, net 30 calendar days from date of delivery and/or completion/installation/rendering or date of invoice, whichever is later. The City's preferred payment terms, as described in the preceding sentence, are offered to the proposer as a condition of award. If the City's preferred payment terms are unacceptable to the proposer, then the proposer shall indicate on the Submittal Form its preferred payment terms. Payment terms may be a factor in the City's selection criteria. Payment terms are non-negotiable after award is made.
- d. Applicable laws and regulations: All applicable federal and state laws, city ordinances, orders, rules and regulations of all authorities having jurisdiction over the specified service(s) shall apply to the quoted purchase price, and they will be deemed to be included in this procurement solicitation the same as though they are written out in full herein.
- e. Use of subcontractors: The successful proposer may subcontract any portion of the award but only with the prior consent of the City. Requirements for references and insurance shall apply to any subcontractor.
- f. Safe work area: The successful proposer will be expected to utilize best practices to minimize the risk of personal injury to the public, City personnel and employees of the proposer and/or the proposer's subcontractors, if any.
- g. Other documents to be required of successful proposer: See the accompanying "Instructions for Proposers" for a listing of other documents to be required of the successful proposer.

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- h. Damages: The successful proposer shall be responsible for any damages it causes in the course of performing the specified service(s), and shall repair or replace any damaged property to the satisfaction of the City at its own expense.
 - i. Terms and Conditions: By submitting its proposal, the vendor certifies that it has read and accepts all terms, conditions and requirements of this solicitation, including the terms and conditions identified and listed in the City of Franklin Standard Procurement Terms and Conditions attached hereto and hereby incorporated by reference.
 - j. Refusal to honor submittal: If and after an award is made by the City, if the vendor refuses to execute an agreement or contract or in any other way honor the terms and conditions of its submittal, the City shall be entitled to seek compensation for its damages, which may include the cost of conducting a new solicitation.
 - k. Confidential and/or proprietary information; trade secrets. All contents of all submittals are subject to public disclosure and shall not contain any confidential and/or proprietary information and/or trade secrets. Further, by submitting its proposal, the vendor indemnifies and holds the City harmless against any loss or damage, including reasonable attorney fees, it may incur as a result of the City's reliance upon the vendor's representation that materials supplied by the vendor do not contain trade secrets or proprietary information which is not subject to public disclosure.
11. Detailed requirements: Please note:
- Proposers are required to submit with their proposal a detailed description of all proposed products, items and/or services.
 - Any exceptions to this procurement solicitation shall be listed in detail in a separate document to be prepared by the proposer. Such listing shall include a description of exactly how such exceptions deviate from the City's expectations as expressed and implied by the procurement solicitation, and shall indicate why such exceptions should be judged by the City to meet or exceed those expectations.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

11.1. Purpose of procurement solicitation

The City of Franklin, Tennessee (“City”) seeks proposals from interested and qualified auditors for the performance of a complete financial and compliance audit of both the City and the Conference Center at Cool Springs (“Conference Center”), a joint venture between the City and Williamson County, Tennessee (“County”), each audit to be conducted in accordance with the laws and requirements of the State of Tennessee.

11.2. Scopes of work

11.2.1. In the case of Procurement Solicitation No. 2015-020, the audit will examine the financial statements and records of all funds, account groups and grant contracts of the City.

11.2.2. In the case of Procurement Solicitation No. 2015-021, the audit will examine the financial statements and records of the Conference Center. As the Conference Center is jointly owned by the City and the County, both municipal and county audit requirements promulgated by the Comptroller of the Treasury of the State of Tennessee need to be met. Relative to the Conference Center scope of work, the City is acting on behalf of both the City and the County.

11.3. Term of award

The services to be rendered pursuant to this procurement solicitation are to be offered for the fiscal year ending June 30, 2015. At any time after commencement but before or as soon as practicable after the completion of the scope of work, the City and the vendor may exercise an option to extend the term of award four (4) times, each time for the audit of one (1) additional fiscal year, for a maximum possible term of award of auditing five (5) fiscal years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, based upon fees for the respective extension established at the time of the initial proposal; and (d) that if the vendor chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the end of the fiscal year to be audited that would be the subject of the next possible extension. Note that the City and the vendor each specifically retain the right, with or without cause, not to extend the term of award.

11.4. General Requirements

11.4.1. The audit shall be conducted in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants, generally accepted government auditing standards prescribed by the comptroller General of the United States, and other requirements which may be prescribed by the Comptroller of the Treasury of the State of Tennessee. In addition, the audit shall be conducted in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 and other applicable Federal Management Circulars.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

- 11.4.2.** If applicable, the audit shall conform to those standards, procedures, and reporting requirements set forth in the “Audit Manual for Governmental Units and Recipients of Grant Funds” published by the Comptroller of the Treasury of the State of Tennessee. Any deviation from said standards and procedures shall be approved in writing by the Comptroller of the Treasury prior to the execution of the contract to audit.
- 11.4.3.** The auditor shall, as part of the written report of audit, include an expression of an opinion that the financial statements are fairly stated, or qualified as to certain funds or items in the financial statements, or a disclaimer of opinion and the reasons therefore, and shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted governmental auditing standards have been followed in the audit.
- 11.4.4.** The auditor shall provide an electronic copy of the audit in PDF or Microsoft Word and Excel formats. The auditor shall file copies of said audit with the Comptroller of the Treasury and with the appropriate officials of grantor agencies if applicable. If a management letter or any other reports or correspondence relating to findings or recommendations are issued in connection with this audit, a copy shall be filed with the Comptroller of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no material matters not also disclosed in the findings found in the published report of audit).
- 11.4.5.** Unless other dates are agreed upon, the audit shall begin no later than September 1, a draft electronic copy of the Comprehensive Annual Financial Report shall be submitted to the City no later than October 31, and the audit report shall be completed by November 30, all dates of the same calendar year as the end of the fiscal year being audited.
- 11.4.6.** The auditor shall agree to retain working papers for no less than five (5) years. All audit working papers shall, upon request, be made available for review by the staff, representatives, agents, and legal counsel of the City or the Comptroller of the Treasury of the State of Tennessee during normal working hours while the audit is in progress and/or subsequent to the completion of the report.
- 11.4.7.** Progress payments may be made on the basis of work completed during the course of the audit.
- 11.4.8.** Should the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the City in writing of the need for additional investigation and the additional compensation required. Upon approval by the Comptroller of the Treasury, State of Tennessee, an additional agreement may be made by the City and the auditor for additional investigation. The changed agreement shall not ignore the routine portion of the audit to be performed as part of the normal audit.
- 11.4.9.** Any evidence of fraud, such as misappropriation, misfeasance, malfeasance, embezzlement or other illegal acts, shall be reported immediately to the Comptroller of the Treasury, who shall under all circumstances have the preemptive authority to directly investigate such matters at his discretion. The auditor shall advise the City of any evidence of fraud at the same time as the Comptroller of the Treasury.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

- 11.4.10.** The audit firm shall present in person the audit results to the City's Budget & Finance Advisory Committee, which also functions as the City's Audit Committee, at the conclusion of the audit. The findings and recommendations regarding compliance and internal control shall be discussed at said conference. Officials of the City (in the case of Procurement Solicitation No. 2015-020) and the Conference Center (in the case of No. 2015-021) shall have the opportunity to respond orally or in writing to the findings. Any such written responses shall be included in the audit report.
- 11.4.11.** The records of the City (in the case of Procurement Solicitation No. 2015-020) and the Conference Center (in the case of No. 2015-021) shall not be removed from their respective offices except with the express written permission of the City.
- 11.4.12.** All adjusting entries shall be submitted to the City (in the case of Procurement Solicitation No. 2015-020) and the Conference Center (in the case of No. 2015-021) with sufficient explanation so they can be easily understood and properly posted to the financial records. Reversing entries must also be presented with sufficient explanation.
- 11.4.13.** The Request for Proposal and the auditor's proposal shall become part of the audit contract as prescribed by the State Comptroller.
- 11.4.14.** In the case of Procurement Solicitation No. 2015-020, the auditor is expected to provide assistance as shall be necessary to enable the City to apply for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association, including the interpretation of financial reporting requirements associated with the Certificate program.
- 11.4.15.** The auditor shall also be required to assist with assessment and implementation of any revisions necessary as a result of GASB statements, etc.

11.5. General Information

- 11.5.1.** In the case of Procurement Solicitation No. 2015-020, by the end of August, the City shall have closed and balanced all accounts and shall have prepared preliminary computer generated year-end financial statements for all funds for examination by the auditor. Documents required for sampling purposes shall be generated by the auditor.

Accounting records are located in the Finance Department and City Recorder's Office at 109 3rd Avenue South, Franklin, TN 37064. The City utilizes a local-area network running Windows NT server with Windows XP and Microsoft Dynamics GP (Great Plains) software.

The operations of the City are accounted for in the general fund, ten special revenue funds (note: one of these ten are new in 2015), one debt service fund, one capital projects fund, one fiduciary fund (Pension Trust), and an enterprise fund (water/sewer/reclaimed water fund).

During fiscal year 2014, the City expended funds on the following federal grants:

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

U.S. Department of Justice	\$5,100
Tennessee Department of Transportation	\$802,126
U.S. Department of Housing and Urban Development	\$233,170
U.S. Department of Homeland Security - FEMA	\$91,419

Appendix A contains additional information on relevant volumes, frequencies and amounts at June 30, 2014.

- 11.5.2.** In the case of Procurement Solicitation No. 2015-021, by the end of August, the Conference Center shall have closed and balanced all accounts and shall have prepared preliminary computer generated year-end financial statements for examination by the audit firm. Documents required for sampling purposes shall be generated by the auditor.

Accounting records are located at the Conference Center at 700 Cool Springs Boulevard in Franklin, Tennessee.

Appendices B and C contain additional information from the most current audit.

11.6. Proposal Format

- 11.6.1.** The proposal shall consist of the following two components: a technical proposal and a fee proposal. The fee proposal shall be in a separately sealed envelope submitted at the same time as the technical proposal. Both technical and fee proposals shall be clearly identified as to the firm's name and the scope of work the proposal is addressing. All technical proposals will be evaluated and scored first without taking fee into consideration. After scoring all technical proposals, fee proposals will be reviewed and evaluated.
- 11.6.2.** See Instructions for Proposers for additional information.
- 11.6.3.** The technical proposal shall be styled at the discretion of the submitter. However, at a minimum, it must address these areas:
- 11.6.3.1.** Breadth and depth of the firm's governmental auditing experience, including any experience with the Government Finance Officers Association's Certificate of Achievement program.
- 11.6.3.2.** Organization size and structure of the firm, including a description of the organization of the audit staff and the assigned audit team.
- 11.6.3.3.** Qualifications of staff to be assigned to this audit, including education, position in the firm, and years and types of experience.
- 11.6.3.4.** Type and level of training provided to the firm's staff.
- 11.6.3.5.** A description of the proposed audit plan in general. Areas that may require particular audit emphasis should be specified, as well as the extent to which the assistance of City staff (in the case of Procurement Solicitation No. 2015-020) and Conference Center staff (in the case of No. 2015-021) will be required.
- 11.6.3.6.** Availability of the auditor to the agency for specialized consultation and support assistance on sensitive or highly specialized issues.

City of Franklin Request for Proposals

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- 11.6.3.7.** In the case of Procurement Solicitation No. 2015-020, a list of a minimum of three (3) references from other local government clients denoting any which have attained the Certificate of Achievement. Information to be provided shall include client name, client address, description of work, contact name and title, and contact telephone number.
- 11.6.3.8.** The firm should indicate in the fee proposal if it is willing to enter into a contract for one year, renewable annually for each of the next four (4) years at the City's option and upon approval of the Comptroller of the Treasury for the State of Tennessee. Fees for subsequent years should be quoted in accordance with requirements of the fee proposal.
- 11.6.3.9.** Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City.
- 11.6.4.** The fee proposals must be submitted as follows:
- 11.6.4.1.** The base audit fee must be quoted either as a maximum fixed amount or rate per hour, with total estimated hours. If the latter method is used, a maximum amount must be stated. Any incidental expenses, such as travel and supplies, not included in the quoted fee must be estimated and provided. The audit fee must be stated so the amount can be easily determined. Hourly rates for services requested or required above the base audit must be quoted as well. The fee proposal shall describe the types of services that are not included in the base audit fee.
- 11.6.4.2.** If the firm is willing to enter into a renewal of the contract for up to four (4) subsequent years, then the renewal rates must be clearly stated either as a percentage increase over the prior year fee or as a fixed amount for the respective year.
- 11.6.4.3.** If the firm is unwilling to renew in any of the optional subsequent years, that must be clearly indicated as well.
- 11.7. Selection Process**
- 11.7.1.** At any point in the selection process, the proposer may be requested to submit information supplemental to its proposal. If deemed necessary, personal interviews may be conducted with representatives of one, some or all of the proposers.
- 11.7.2.** Proposals will be reviewed and evaluated by an evaluation team. In the case of Procurement Solicitation No. 2015-021, the evaluation team may be comprised of City, County, and/or Conference Center officials. Criteria to be used in evaluating the proposals will include the following:
- 11.7.2.1.** Qualifications and capabilities of the firm, its coordinating office and its management as measured by the number of firm employees and years in business and type of experience. (15% of total score)
- 11.7.2.2.** Makeup and qualifications of audit team as evidenced by the number of members assigned to the audit team, their educational background, their experience with the firm, and their experience in governmental auditing. (15% of total score)

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Purchasing Office Solicitation No.: 2015-020 and 2015-021

- 11.7.2.3.** Prior experience with local government audits and GFOA Certificate of Achievement programs, GASB 34 and a minimum of three (3) references from past governmental audits. (Information to be provided shall include client name, client address, description of work, contact name and title, and contact telephone number.) The evaluating team will consider number of governmental audits of like size, number of GFOA awards received by governmental units on which the firm provided audit services and prior GASB 34 experience in implementation, consulting, or training. (30% of total score)
- 11.7.2.4.** Understanding of the City's audit needs as indicated by a thorough and complete technical proposal clearly addressing in sufficient detail each requested item. (15% of total score)
- 11.7.2.5.** Fees both in the initial year and subsequent renewals to include consideration of the type and quantity of services provided in the base audit number. (25% of total score)
- 11.7.3.** The evaluation team will recommend an audit firm to the Budget & Finance Advisory Committee of the Board of Mayor and Alderman, who in turn may make its own recommendation to the full Board. The Board's approval, if granted, of a proposal will authorize the Mayor to execute a contract between the City and the selected audit firm. A contract will be awarded for audit of only the fiscal year ending June 30, 2015. Renewal of the contract for audit of the subsequent four (4) fiscal years, one year at a time, will be at the option of the Budget and Finance Advisory Committee and/or the Board of Mayor and Aldermen.
- 11.7.4.** The City reserves the right to reject any or all proposals, to waive technicalities or formalities and to accept any proposal deemed to be in the best interest of the City. Selection of an auditor and the contract to audit shall be subject to the approval of the Comptroller of the Treasury for the State of Tennessee.

11.8. Insurance Requirements

Before award of the procurement by the City, the successful proposer (that is, the vendor who is recommended be awarded the purchase) shall provide one or more unexpired certificates of insurance providing evidence of the following minimum types and limits of insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Workers Compensation	Statutory limits	Certificate Holder only
Employers Liability	\$1,000,000 Bodily Injury Each Accident \$1,000,000 Policy Limit Bodily Injury by Disease \$1,000,000 Each Employee Bodily Injury by Disease	Certificate Holder only
Professional Liability	\$1,000,000 Combined Single Limit	Certificate Holder only

For Procurement Solicitation No. 2015-020, the City of Franklin, Tennessee shall be issued a Certificate of Insurance and named as Certificate Holder.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

For Procurement Solicitation No. 2015-021, the following three (3) entities each shall be issued their own Certificate of Insurance and named as Certificate Holder:

- City of Franklin, Tennessee
109 3rd Ave. South
Franklin, TN 37064
- Williamson County, Tennessee
1320 West Main St.
Franklin, TN 37064
- Conference Center at Cool Springs (a joint venture between City of Franklin, Tennessee and Williamson County, Tennessee)
700 Cool Springs Boulevard
Franklin, TN 37067

If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the successful proposer shall immediately suspend work or supply unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds the insurance requirements as specified above.

In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this procurement solicitation, then the successful proposer shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the Certificate Holder of any such material modification or cancelation.

The successful proposer agrees to impose the City's insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.

City of Franklin Request for Proposals
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Appendix A
City Volumes, Frequencies, Amounts
As of June 30, 2014

General	
Population	66,370
Appraised Value of Property	\$11,065,624,425
Assessed Value of Property	\$3,333,559,875
General Obligation Bonds	\$129,722,000
Accounts Payable and Payroll	
Number of Payable Checks in FY 2014	2,652
Number of Payable ACH's in FY 2014	1,393
Number of Employees in FY 2014	715 (full-time)
Frequency of Payroll	Bi-Weekly
Number of Payroll Checks in FY 2014	1,300
Number of Payroll ACH in FY 2014	17,368
Receipts	
Miscellaneous Receipts in FY 2014	16,562
Court Receipts in FY 2014	5,959
Utilities	
Number of Water Customers	17,182
Number of Sewer Customers	19,727
Reclaimed Water Customers	49
Utility Billing Receipts in FY 2014	276,603
Proprietary Fund Bonds	\$41,261,232

Fiscal Year 2014						
Fund		Beg FB	Rev	Exp	Sources (Uses)	End FB
1	General	\$28,890,118	\$56,918,504	\$50,241,943	(\$2,852,228)	\$32,714,451
2	Street Aid & Trans	-0-	1,754,190	2,198,896	739,965	295,259
3	Sanitation	-0-	6,257,265	6,489,757	637,611	405,119
4	Road Impact Fund	(854,829)	4,021,752	-0-	(3,166,923)	-0-
5	Facilities Tax	3,147,824	3,855,445	749,658	-0-	6,253,611
6	Stormwater Mgmt	5,615,101	2,340,962	2,444,998	-0-	5,511,065
7	Drug	121,781	171,820	128,165	-0-	165,436
8	Hotel/Motel Tax	1,124,507	3,339,214	1,375,744	(1,116,929)	1,971,048
9	Transit System	-0-	1,166,165	1,608,652	843,182	400,695
10	CDBG	23,545	198,920	198,748	-0-	23,717
11	Debt Service	84,729	6,191,646	10,996,579	4,915,322	195,118
12	Capital Projects *	382,419	1,358,296	40,478,571	19,859,681	(18,878,175)
Fund		Beg Net Position	Oper Rev	Oper Exp	Non-Oper	End Net Position
13	Water/Sewer	\$134,798,196	\$23,099,351	\$21,108,262	\$9,790,596	\$146,579,881
Fund		Beg Net Position	Additions	Deductions	End Net Assets	
14	Pension Trust	\$63,532,465	\$24,253,958	\$3,314,734	\$84,471,689	

* The deficit in the capital projects fund is temporary pending an upcoming bond issue and reimbursements from other funds.

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

Appendix B Conference Center

Organization and Operations

The Conference Center is a banquet facility consisting of approximately 55,000 square feet of space, including grand ballroom and meeting rooms, which adjoins the Franklin Marriott Hotel (the "Hotel") in Franklin, Tennessee.

The Conference Center is a joint venture between the City and the County, and collectively the "Parties"). An Interlocal Agreement executed between the Parties provides for equal ownership by each of the Parties of a one-half undivided interest in the Conference Center and further specifies that each of the Parties shall be entitled to one-half of the net revenue and shall be responsible for one-half of all costs and expenses of the operation and maintenance of the Conference Center.

As of June 30, 2014, the Hotel was owned by a non-related third party (Franklin Realco, LLC) and was managed under a management agreement by Noble – Interstate Management Group, (the "Hotel Operator"). Effective July 25, 2014, the Hotel property was sold to another third party (Crow Holdings Capital Partners). In connection with the sale, the Hotel changes management companies to Davidson Hotels and Resorts, under a new management agreement.

The Conference Center facility was developed to attract conventioners, business travelers, tourists, vacationers, and other visitors, to provide meeting space for residents and groups in municipalities, and to promote the economic development of the City and the County.

The accounting policies of the Conference Center conform to generally accepted accounting principles applicable to governmental units. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Contractual Commitments

The Conference Center is operated under a franchise agreement between the Hotel owner and Marriott International, Inc. The term of the franchise agreement is 25 years unless otherwise extended or terminated. The agreement provides for the Conference Center to pay Marriott International, Inc. a franchise fee equal to \$35,000 per year for the first sixty months of operations and \$75,000 per each additional year that the Conference Center is in operation. The franchise fee for the year ended June 30, 2014 was \$75,000.

The City and County entered into a 15-year operating agreement for the Conference Center with the Hotel operator to manage the facility. Under the operating agreement, the Owners will pay the Operator a specified annual management fee. The annual base fee of \$125,000 shall escalate on a fiscal year basis at a rate equal to the greater of three percent (3%) per year or the Consumer Price Index increase with respect to the prior fiscal year. The management fee for the year ended June 30, 2014 was \$181,521.

The City and County entered into a catering agreement with the Hotel Operator to provide all food and beverage catering services to the Conference Center. The term of this agreement is conterminous with the Conference Center operating agreement between the Owners and Operator. Under the catering agreement, the Owners will pay the Operator a catering fee of \$10,000 per

City of Franklin Request for Proposals

Purchasing Office Solicitation No.: 2015-020 and 2015-021

month during the agreement. This fee will escalate annually at a rate equal to the greater of three percent (3%) per year or the Consumer Price Index increase with respect to the preceding calendar year. The catering fee for the year ended June 30, 2014 was \$184,165.

Related Party Transactions

Because the Hotel and the Conference Center are operated together, the Hotel allocates certain expenses to the Conference Center as follows:

- Food and beverage costs are allocated to the Conference Center based on the ratio of the Conference Center food and beverage revenue to total food and beverage revenue for the Hotel and Conference Center on a monthly basis.
- General and administrative and repair and maintenance expenses are allocated to the Conference Center based on the ratio of total Conference Center revenue to total combined revenue for the Conference Center and the Hotel on a monthly basis.
- Advertising and sales expenses are allocated to the Conference Center based on a fixed 50% allocation for each period.

Under terms of the management agreement, the City and County are to share equally in Conference Center “cash flows” as defined in the agreement. As a result, aggregate operating assistance contributed from (and distributed to) local governments in the amount of \$194,158 were made during 2014. At June 30, 2014, the Conference Center was due \$25,005 from both the City and County.

City of Franklin Request for Proposals
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Appendix C
Conference Center
As of June 30, 2014

Balance Sheet

Assets

Current Assets:

Cash - Restricted for Equipment Replacement	\$812,422
Cash - Unrestricted	71,691
Due from City / County	50,010
Due from Hotel Operator	5,038
Prepaid Expenses	<u>11,065</u>
Total Current Assets	950,226

Non-Current Assets:

Capital Assets (net of depreciation)	<u>10,672,154</u>
Total Assets	<u>\$11,622,380</u>

Liabilities and Net Assets

Current Liabilities:

Accounts Payable and Accrued Expenses	\$19,860
Due to Hotel Operator	<u>15,127</u>
Total Liabilities	<u>34,987</u>

Net Assets:

Net Investment in Capital Assets	10,672,154
Restricted	812,422
Unrestricted	<u>102,817</u>
Total Net Assets	<u>\$11,587,393</u>

Changes in Net Assets

Operating Revenue:

Banquet and Catering	<u>\$6,338,571</u>
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Operating Expenses:

Food and Beverage	3,663,118
Other	<u>2,831,834</u>
Total Operating Expenses	6,494,952

Operating Income (Loss)	(156,381)
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Other Income (Expense)

73,229

Net Distributions to City / County

(194,158)

Change in Net Assets

(277,310)

Net Assets at June 30, 2013

11,864,703

Net Assets at June 30, 2014

\$11,587,393

Proposal Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-020 and 2015-021

Vendor's name, street address, and mailing address:	<hr/> <hr/> <hr/> <hr/>
Vendor's contact person's name (printed), title, telephone number and e-mail address:	<hr/> <hr/> <hr/> <hr/>
Does the proposer take any exceptions to the City's procurement solicitation?	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, proposer takes no exceptions.
Are exceptions, if any, to the City's procurement solicitation listed, described, compared to the City's intention as expressed and implied by the City's solicitation documents, and submitted?	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, proposer takes no exceptions.
For which scope of work does this proposal pertain (choose one or both)?	<input type="checkbox"/> 2015-020 (City of Franklin) <input type="checkbox"/> 2015-021 (Conference Center of Cool Springs)
Fee proposal is sealed in a separate envelope and submitted with the technical proposal (yes/no):	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No.
Are the City's preferred payment terms (net 30 days from date of delivery or date of invoice, whichever is later) acceptable to proposer?	<input type="checkbox"/> Yes. <input type="checkbox"/> No, proposer requests the following payment terms: _____.
Last date (no sooner than May 31, 2015) that proposal and associated pricing is valid and may be accepted by the City:	<hr/>
Method of payment – The City prefers to pay its vendors electronically, either by direct deposit (i.e., “ACH” or “Electronic Funds Transfer”), or by Visa credit card, rather than by conventional check. Which payment method would the bidder prefer?	<input type="checkbox"/> ACH or Electronic Funds Transfer. <input type="checkbox"/> Visa credit card.

Proposal Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the

City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-020 and 2015-021

Proposer's name:	_____
Are the following included with this Proposal Submittal Form in the submittal? <ul style="list-style-type: none">Detailed vendor-supplied description of proposed product(s) and/or service(s);Identification, listing and description of any exceptions to the procurement solicitation;Contact information for required references (see Request for Proposals);City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted;Vendor's proposed agreement or contract, if any, the terms and conditions of which shall be not inconsistent with the City's Standard Procurement Terms and Conditions;City of Franklin Affidavit of Non-Collusion, executed in full; andCity of Franklin Affidavit of Title VI Compliance, executed in full.	<input type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No, proposer chooses <u>not</u> to include the documents indicated (NOTE: doing so may cause the City to deem the proposal non-responsive).
Receipt acknowledged of any and all issued addenda to this solicitation:	<input type="checkbox"/> Addendum No. _____ received. <input type="checkbox"/> Addenda Nos. _____ received. <input type="checkbox"/> No addenda received.
Signature of proposer's authorized representative: I have received and read, and do understand and consent, to all instructions, terms and conditions, including those imposed by reference, which apply to this procurement solicitation and compliance with which is required as a condition precedent to consideration of the proposal submitted herewith.	_____ (signature)
Title of proposer's authorized representative:	_____
Date of signature:	_____

Affidavit of Non-Collusion

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the City of Franklin, Tennessee

State of _____)
) SS
County of _____)

Affiant, _____, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

- 2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
- 3. Such bid or proposal is genuine and is not a collusive or sham bid or proposal;
- 4. Neither the said Bidder or Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this Affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any official or agent of the City of Franklin or with any other firm, person, or potential or actual bidder or proposer to submit a collusive or sham bid or proposal in connection with the contract for which the attached bid or proposal has been submitted, or to refrain from bidding or proposing indirectly, or sought by agreement, or collusion, or communication, or conference with any other firm, person, or potential or actual bidder or proposer to fix the price or prices or cost element of the bid, quoted or proposed price or the bid, quoted or proposed price of any other potential or actual bidder or proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Franklin or any person interested in the proposed contract;
- 5. The price or prices quoted in the attached bid or proposal are fair and proper and are not tainted by a collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this Affiant; and
- 6. He or she understands that Article VIII, Section 16, of the City Charter of Franklin, and T.C.A. §6-54-107, prohibit any member of the Board of Mayor and Aldermen, or officer elected by said Board, from being interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and unenforceable, subjecting any funds received by contractor to be returned in full to the City, in addition to any other penalties provided by law.

(signature of Affiant) (title of Affiant)

Sworn and subscribed to before me this _____ day of _____, 20_____

(Notary Public) My Commission Expires: _____

Affidavit of Title VI Compliance
a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

State of _____)
County of _____) SS

Affiant, _____, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin or any other class protected by federal and/or Tennessee constitutional, statutory and/or case law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in, the performance of the contract that results from the procurement solicitation to which this affidavit is a component, or in the employment practices of the successful Bidder or Proposer during the performance of the contract that results from said procurement solicitation;
4. The successful Bidder or Proposer shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and job applicants, notices of such non-discrimination;
5. If, with the prior consent of the City, the successful Bidder or Proposer subcontracts any portion of the contract that results from the procurement solicitation to which this affidavit is a component, then the successful Bidder or Proposer shall contractually obligate all of its subcontractors for said contract to comply with the same non-discrimination provisions as those required of the successful Bidder or Proposer; and
6. This Affidavit is made on personal knowledge.

(signature of Affiant)

(title of Affiant)

Sworn and subscribed to before me this _____ day of _____, 20_____

(Notary Public)

My Commission Expires: _____

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

1. Assignment/Subcontracting. Neither party may assign any rights or obligations under these Standard Procurement Terms and Conditions or any Statement of Work without the prior written consent of the other party. These Standard Procurement Terms and Conditions will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Vendor may subcontract any portion of the work only with the prior consent of the City, but such subcontracting will not relieve Vendor of its duties under these Standard Procurement Terms and Conditions.
2. Time of the Essence. The parties agree that TIME IS OF THE ESSENCE with respect to the vendor's performance of all provisions of this procurement.
3. Taxes. As a tax-exempt entity, the City shall not be responsible for sales or use taxes incurred for products or services. Upon request, the City shall supply Vendor with a copy of its Sales and Use Tax Exemption Certificate. Vendor shall bear the burden of providing its suppliers with a copy of the City's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred.
4. Notices. Any notice provided pursuant to these Standard Procurement Terms and Conditions, if specified to be in writing, will be in writing and will be deemed given: (a) if by hand delivery, then upon receipt thereof; (b) if mailed, then three (3) City business days after deposit in the mail where sender is located, postage prepaid, certified mail return receipt requested; (c) if by next day delivery service, then upon such delivery; or (d) if by facsimile transmission or electronic mail, then upon confirmation of receipt. All notices will be addressed to the parties at the addresses set forth below (or set forth in such other document which these Standard Procurement Terms and Conditions may accompany, or such other address as either party may in the future specify in writing to the other):

In the case of the City:

In the case of Vendor:

City of Franklin

Attn: Purchasing Manager

Re: City of Franklin Purchasing Office Solicitation No. 2015 ^{20 &/or 21} - _____

109 Third Ave. South

P.O. Box 305

Franklin, TN 37065-0305

FAX: 615/550-0079

E-mail: purchasing@franklintn.gov

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

5. Confidentiality and Proprietary rights. Vendor waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page (or section as the case may be) as confidential or proprietary. Proprietary rights do not extend to the data created by the City's users of the System; all rights to that data (including derivative or hidden data such as metadata) shall vest solely in City at the moment of creation and City shall retain exclusive rights, title, and ownership of all data and images created therefrom at the moment of creation and utilization, through and including image creation. City may be required to disclose documents under state or federal law. City shall notify Vendor if a request for documents has been made and shall give Vendor a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. In exchange, Vendor agrees to indemnify, defend, and hold harmless City for any claims by third parties relating thereto or arising out of (i) the City's failure to disclose such documents or information required to be disclosed by law, or (ii) the City's release of documents as a result of City's reliance upon Vendor's representation that materials supplied by Vendor (in full or redacted form) do not contain trade secrets or proprietary information, provided that the City impleads Vendor and Vendor assumes control over that claim.
6. Derivative Works. To the extent that the Agreement contains Vendor's reservation of rights, such definitions and limitations are superseded by the following: "Derivative Work" means a program that is based on or derived from one or more existing programs or components. If the original software is modified to create a new program, a derived work is created. If the original software was designed to accept plug-ins or drivers using a defined mechanism, such a driver or plug-in does not form a derived work. Linking to a library in the way it was designed to be interfaced with, does *not* constitute deriving a work. "Derivative work" is *not* the data that the Licensee inputs, manipulates, modifies or otherwise improves, nor the images resulting therefrom.
7. Arbitration/Mediation. No arbitration shall be required as a condition precedent to filing any legal claim arising out of or relating to the Contract. No arbitration or mediation shall be binding.
8. Waiver. Neither party's failure or delay to exercise any of its rights or powers under these Standard Procurement Terms and Conditions will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.
9. Warranties/Limitation of Liability/Waiver. City reserves all rights afforded to local governments under law for all general and implied warranties. The City does not waive any rights it may have to all remedies provided by law and therefore any attempt by Vendor to limit its liability shall be void and unenforceable.
10. Severability. If any term or provision of these Standard Procurement Terms and Conditions is held to be illegal or unenforceable, the validity or enforceability of the remainder of these Standard Procurement Terms and Conditions will not be affected.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

11. Precedence. In the event of conflict between the provisions of these Standard Procurement Terms and Conditions and any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, the provisions of these Standard Procurement Terms and Conditions will to the extent of such conflict take precedence unless such document expressly states that it is amending these Standard Procurement Terms and Conditions.
12. Indemnification. Vendor agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys' fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin.
13. Additions/Modifications. If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.
14. Applicable Law; Choice of Forum/Venue. These Standard Procurement Terms and Conditions are made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to any state's choice-of-law rules. The choice of forum and venue shall be exclusively in the Courts of Williamson County, TN.
15. Termination. Unless the City has indicated otherwise for a specific procurement solicitation, either party may terminate these Standard Procurement Terms and Conditions, with or without cause, upon thirty (30) calendar days' notice to the other. Upon termination by the vendor, the City shall be entitled to retain ownership of any and all goods and equipment purchased. Upon termination by the City, the vendor shall be entitled to receive any amounts due as a result of goods and equipment already delivered and/or services already rendered; however, the City shall maintain ownership and control of any goods and equipment purchased. Upon termination of services, whether connected or unconnected to goods and equipment, such services shall be rendered until the conclusion of the 30th calendar day as stated in the notice or until a contractual benchmark has been achieved, or as the parties may otherwise agree.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

16. Breach. Upon deliberate breach of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, by either party, the non-breaching party shall be entitled to terminate these Standard Procurement Terms and Conditions without notice, with all of the remedies it would have in the event of termination under section 10 (“Severability”) above, and may also have such other remedies as it may be entitled to in law or in equity.
17. Default. If Vendor fails to perform or comply with any provision of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, then the City (i) may cancel the purchase award and/or the accompanying contract or agreement or purchase order, in whole or in part, without penalty or protest by Vendor; (ii) may consider such failure to perform or comply as a breach of contract; (iii) reserves the right to purchase its requirements from the vendor that submitted the next lowest and best responsive and responsible bid, or the vendor that submitted the next best proposal, if that vendor will still honor that bid or proposal, or to seek new bids or proposals, or to pursue one or more other options available to the City in compliance with its then current purchasing policy; and (iv) may hold the defaulting vendor liable for all damages provided by law, including cost of cover.
18. Entire Agreement. These Standard Procurement Terms and Conditions, including any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, constitutes the entire agreement between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of these Standard Procurement Terms and Conditions. The terms and conditions of these Standard Procurement Terms and Conditions may not be changed except by an amendment expressly referencing these Standard Procurement Terms and Conditions by section number and signed by an authorized representative of each party.
19. Survival. These Standard Procurement Terms and Conditions shall survive the completion of or any termination of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany.

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

THIS PROCUREMENT AGREEMENT (“AGREEMENT”) is by and between the City of Franklin, Tennessee (“CITY”), and _____ (“VENDOR”), who mutually agree as follows:

1. CITY issued (a) on ____ __, 20__ Purchasing Office Solicitation No. 20__-____, a procurement solicitation for bids for _____, and (b) on ____ __, 20__ Addendum No. __ to Purchasing Office Solicitation No. 20__-____ (collectively, “SOLICITATION”), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY’s SOLICITATION, VENDOR submitted a bid/proposal dated ____ __, 20__ (“SUBMITTAL”), a copy of which is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has now also submitted one or more Certificate(s) of Insurance, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein, that meet or exceed CITY’s Insurance Requirements as specified in SOLICITATION.
4. If and when insurance coverage documented by Certificate(s) of Insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall immediately suspend work or supply and delivery unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds CITY’s Insurance Requirements as specified in SOLICITATION.
5. In the event that insurance coverage documented by Certificate(s) of Insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall, immediately upon learning of any such material modification or cancellation, suspend work or supply and delivery and shall, within three (3) calendar days of such learning, notify CITY of any such material modification or cancellation.
6. VENDOR agrees to impose the City’s insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.
7. VENDOR has now also submitted CITY’s Indemnification Agreement, executed for VENDOR, a copy of which is attached hereto as Attachment No. 4 and hereby incorporated by reference as if fully set forth herein.

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

8. CITY awarded on _____, 20__ and now desires to retain **VENDOR** to _____, pursuant to SOLICITATION, SUBMITTAL and tabulation, as prepared by CITY, of bids received in response to SOLICITATION, a copy of which tabulation is attached hereto as Attachment No. 5 and hereby incorporated by reference as if fully set forth herein.

[OR]

9. CITY awarded on _____, 20__ and now desires to retain **VENDOR** to _____, pursuant to SOLICITATION and SUBMITTAL, and as follows:

Item No.	Description	Quantity	Unit Price	Extended Price	Invoice Due and Payable
1					upon delivery/completion, net 30 days from date of delivery/completion or date of invoice, whichever is later
2					upon delivery/completion, net 30 days from date of final delivery/completion or date of invoice, whichever is later
Total:	All specified materials and services				

10. **[If applicable:]** The term of award shall commence upon execution of this AGREEMENT and shall expire three (3) years from the execution date of this AGREEMENT. At any time after commencement but before or as soon as practicable after the expiration of this term of award, CITY and **VENDOR** may, by mutual consent, exercise not more than two (2) options to extend the term of award, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, including pricing; and (d) that if **VENDOR** chooses not to consent to an extension to the term of award, then it shall notify CITY of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that CITY and **VENDOR** each specifically retain the non-exclusive right, with or without cause, not to extend the term of award.

11. In the event of a conflict between CITY's SOLICITATION and **VENDOR**'s SUBMITTAL, CITY's SOLICITATION shall supersede any conflicting terms and conditions within **VENDOR**'s SUBMITTAL, except for any exceptions identified by **VENDOR** in its SUBMITTAL and accepted at the time of award by CITY.

[OR]

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20____ - _____)

12. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) this AGREEMENT; (b) SOLICITATION; and (c) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:

For CITY:

(signature of VENDOR's authorized representative)

(signature of CITY's authorized representative)

TITLE: _____

TITLE: _____ Mayor _____

Approved as to Form:

Attorney for City of Franklin

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 1

SOLICITATION

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 2

SUBMITTAL

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 3

Certificate(s) of Insurance

Certificate Date	Producer	Certificate Number	Type of Insurance	Policy Expiration
			Commercial General Liability	
			Automobile Liability	
			Workers Compensation and Employers' Liability	

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 4

Indemnification Agreement

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____ - _____)

Attachment No. 5

Tabulation of bids received

Indemnification Agreement
a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

On behalf of Bidder/Proposer, _____ agrees that:
(printed name of person signing Agreement)

1. He or she is the _____ of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)

(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. The Bidder or Proposer agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this Agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin; and
4. This Agreement is made on personal knowledge.

(signature of person whose printed name appears above)

(title of person whose printed name appears above)

(Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015 - 20 &/or 21)

Form revised 02/25/2005

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

1. Solicitation identified: This Addendum No. 1 applies to the following procurement:
financial and compliance auditing services
Purchasing Office Solicitation No.: 2015-020 and 2015-021
2. Notice to Proposers publication date: **January 15, 2015**
3. Solicitation release date: **January 16, 2015**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **January 29, 2015, 2:00 p.m. Central Time**
5. Addendum No. 1 release date: **February 4, 2015**
6. Proposals submittal deadline and scheduled opening: **February 17, 2015, 2:00 p.m. Central Time**
7. Tentative date of release of City's tabulation of proposals received and notice of intent to award: **March 6, 2015 or March 20, 2015**
(depending upon whether interviews are conducted)
8. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the proposal that best meets the needs of the City: **March 24, 2015 or April 28, 2015**
(depending upon whether interviews are conducted)
9. Addendum:

In reference to the City of Franklin's **January 16, 2015** Purchasing Office Solicitation Nos. **2015-020 and 2015-021** for **financial and compliance auditing services**, the City has been asked certain questions about the solicitation by one or more service providers who are potential proposers.

The purpose of this Addendum No. 1 is to provide to all service providers who are known or thought to be interested in responding to the referenced solicitation the City's responses to the questions that have been asked to date.

Please note that the submittal deadline and scheduled opening of all proposals received remains unchanged and is:

February 17, 2015, 2:00 p.m. Central Time

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Below are the questions asked to date and the City's responses thereto:

Q1: Has the 2014 finding, related to cash collections, been completely remediated?

A1: Yes, to the best of City's knowledge. In conjunction with its internal review, the City implemented changes in the specific department the cash collections occurred as well as updating its overall cash collection policy.

Q2: Please provide a copy of the management letter related to the 2014 audit, if any.

A2: Please see pp. 105-106, entitled "Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*," of the City's Comprehensive Annual Financial Report for fiscal year 2014 (which is accessible by means of the [Financial Reporting](#) page of the City's website). In addition, please see Appendix D to Procurement Solicitation Nos. 2015-020 and 2015-021, which appendix consists of a copy of the December 9, 2014 management representation letter issued by City management and addressed to the audit firm. Appendix D is available upon request made to the Purchasing Office (purchasing@franklintn.gov; 615-550-6692).

Q3: Please provide a listing of the 2014 proposed journal entries.

A3: Please see section entitled "Audit Adjustments" (which section reads in pertinent part, "All entries identified during the audit have been recorded within the financial statements; there were no unrecorded entries.") in Appendix E to Procurement Solicitation Nos. 2015-020 and 2015-021, which appendix consists of p. 5 from the FY2014 audit firm December 4, 2014 report to the City's Board of Mayor and Aldermen. Appendix E is available upon request made to the Purchasing Office (purchasing@franklintn.gov; 615-550-6692).

Q4: Does [City] management prepare the annual CAFR?

A4: Yes, City management prepares the Comprehensive Annual Financial Report for the City.

Questions 5-25 pertain to Procurement Solicitation No. 2015-020 (the scope of work for which is to examine the financial statements and records of all funds, account groups and grant contracts of the City of Franklin, Tennessee):

Q5: Why [is the City] considering a change in [audit] firms?

A5: The reason the City has issued Procurement Solicitation Nos. 2015-020 is the term of award resulting from the last time the City issued a request for proposals for financial and compliance auditing services, in February, 2011, includes no more options to extend. As stated in the Request for Proposals, the objective of Procurement Solicitation Nos. 2015-020 and 2015-021 is "to secure, by means of a competitive procurement process, the selection of a responsive and responsible proposal, that best meets the needs of the City of Franklin, to furnish all labor,

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

materials and means necessary to supply and deliver to the City of Franklin Finance Department the financial and compliance auditing services as described below.”

Q6: Is there anything [the City] would like to see [its audit] firm doing that [its] current firm isn't doing now?

A6: The City expects the audit firm selected as a result of Procurement Solicitation No. 2015-020 to meet the requirements of the request for proposals and other component documents of that solicitation.

Q7: In past years, approximately how many people typically comprise the [audit firm's] engagement team?

A7: The following six personnel comprised the FY2014 City audit firm engagement team: Audit Principal, Managing Principal / Concurring Reviewer, Audit Supervisor, two Audit Seniors, and Team Member.

Q8: How much time is typically spent at [City offices by the audit firm's engagement team] during planning, interim work and fieldwork?

A8: Up to two weeks (in July) is typically scheduled for initial visit, and up to three weeks (in October) for fieldwork.

Q9: What is the normal timeline for the audit (planning, fieldwork, information for CAFR, etc.)?

A9: In addition to the timeline mentioned in Question 8, the CAFR draft is prepared by the City for the audit firm's review by early- to mid-November, with the audit presentation in mid- to late-November or early December.

Q10: What is the budget for audit services?

A10: The City's budget for audit services for the FY 2015 audit has not yet been established inasmuch as it will be allocated to City FY2016. Sufficient funds were budgeted to cover the fixed audit costs of:

FY 2011 Audit	\$47,500 (in fiscal year 2012)
FY 2012 Audit	\$48,000 (in fiscal year 2013)
FY 2013 Audit	\$48,500 (in fiscal year 2014)
FY 2014 Audit	\$49,000 (in fiscal year 2015)

Q11: How many firms are proposing on the work?

A11: The City will not know the answer to this question until after the submittal deadline.

Q12: Who are the firms proposing?

A12: The City will not know the answer to this question until after the submittal deadline.

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Q13: What is the relationship between the City of Franklin and the Franklin Special School District?

A13: Except for overlapping (but not coterminous) jurisdiction, the City of Franklin and the Franklin Special School District are not related.

Q14: Does management prepare any portions of the CAFR? Please indicate management's involvement with the preparation of fund statements, tables for notes, statistical schedules, conversion schedules, MD&A, etc.

A14: City management prepares all statements and schedules mentioned.

Q15: [Does the City] typically have audit adjustments as a result of the financial statements audits?

A15: The City strives to have none.

Q16: If so, what is the nature of the adjustments?

A16: There were no unrecorded entries (audit adjustments) for FY 2014.

Q17: Who maintains depreciation schedules?

A17: City.

Q18: What software package is used [to maintain depreciation schedules]?

A18: Microsoft Excel.

Q19: What is the size of the accounting department for the City?

A19: The City's Finance Department includes the following nine full-time personnel: Assistant City Administrator / CFO, Comptroller, Business Process Improvement Manager, Financial Manager, three Financial Analysts, Payroll Technician, and AP Technician.

Q20: What special revenue fund will be new in FY2015?

A20: In Lieu of Parkland Fees, previously recorded in the General Fund. Fund balance is slightly more than \$2 million.

Q21: What is the source of revenue and purpose [for the special revenue fund that will be new in FY2015]?

A21: Regarding the In Lieu of Parkland Fees Fund, the source of revenue is fees received from developers in lieu of donation of parkland, and the purpose is for park related purposes. No expenditures have been authorized to date.

Q22: [Does the City] expect grant revenues for FY2015 to be similar to FY2014?

A22: Yes, based on current programs.

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Q23: [Does the City] expect to receive any significant new grants (especially federally funded grants) [in FY2015]?

A23: No, based on current programs.

Q24: Have all special revenue funds been analyzed for qualification as a special revenue fund under GASB 54?

A24: Yes.

Q25: Have [the City's] external auditors been able to rely on controls over major transaction cycles based on the firm's internal control testing?

A25: Yes.

Questions 26-40 pertain to Procurement Solicitation No. 2015-021 (the scope of work for which is to examine the financial statements and records of the Conference Center at Cool Springs, a joint venture between the City of Franklin, Tennessee and Williamson County, Tennessee):

Q26: Why [is the City] considering a change in [audit] firms?

A26: The reason the City has issued Procurement Solicitation No. 2015-021 is the term of award resulting from the last time the City issued a request for proposals for financial and compliance auditing services, in February, 2011, includes no more options to extend. As stated in the Request for Proposals, the objective of Procurement Solicitation Nos. 2015-020 and 2015-021 is "to secure, by means of a competitive procurement process, the selection of a responsive and responsible proposal, that best meets the needs of the City of Franklin, to furnish all labor, materials and means necessary to supply and deliver to the City of Franklin Finance Department the financial and compliance auditing services as described below."

Q27: Is there anything [the City] would like to see [its audit] firm doing that [its] current firm isn't doing now?

A27: The City expects the audit firm selected as a result of Procurement Solicitation No. 2015-021 to meet the requirements of the request for proposals and other component documents of that solicitation.

Q28: In past years, approximately how many people typically comprise the [audit firm's] engagement team?

A28: The following four personnel comprised the FY2014 Conference Center audit firm engagement team: Audit Principal, Managing Principal / Concurring Reviewer, and two Audit Supervisors.

Q29: How much time is typically spent at [Conference Center offices by the audit firm's engagement team] during planning, interim work and fieldwork?

A29: It is reasonable to expect the hours would be less than spent on the City's audit.

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Q30: What is the normal timeline for the audit (planning, fieldwork, information for financial statements, etc.)?

A30: The City anticipates that the timeline for the Conference Center audit would be comparable to the timeline for the City audit (see Answer 9).

Q31: What is the budget for audit services?

A31: The budget for audit services for the FY2015 audit has not yet been established inasmuch as it will be allocated to FY2016. Sufficient funds were budgeted by the Conference Center to cover the fixed audit costs of:

FY 2011 Audit	\$12,500 (in fiscal year 2012)
FY 2012 Audit	\$12,950 (in fiscal year 2013)
FY 2013 Audit	\$13,400 (in fiscal year 2014)
FY 2014 Audit	\$13,900 (in fiscal year 2015)

Q32: How many firms are proposing on the work?

A32: The City will not know the answer to this question until after the submittal deadline.

Q33: Who are the firms proposing?

A33: The City will not know the answer to this question until after the submittal deadline.

Q34: Who maintains depreciation schedules?

A34: Audit firm proposes audit adjustment for depreciation.

Q35: What software package is used [to maintain depreciation schedules]?

A35: See Answer 34 above.

Q36: How are accounting staff assigned to the [Conference Center]?

A36: Conference Center management has its own financial personnel.

Q37: [Does the Conference Center] typically have audit adjustments as a result of the financial statements audits?

A37: Yes, depreciation as mentioned in Answer 34.

Q38: If so, what is the nature of the adjustments?

A38: Depreciation.

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Q39: Does management prepare any portions of the financial statement? Please indicate management's involvement in the preparation of statements, tables for notes, MD&A, etc.

A39: Other than depreciation, Conference Center management prepares statements and schedules.

Q40: Have [the Conference Center's] external auditors been able to rely on controls over major transaction cycles based on the firm's internal control testing?

A40: Yes, to the best of City's knowledge.

City of Franklin Addendum No. 1 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

10. Acknowledge receipt of addendum: Proposers shall acknowledge receipt of this addendum on the Proposal Submittal Form in the space to the right of the text on that form that reads, "Receipt acknowledged of any and all issued addenda to this solicitation."

11. Questions: The deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation has now passed. To ask questions of a procedural nature, please contact:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064
purchasing@franklintn.gov
Tel: 615/550-6692
Fax: 615/550-0079

12. Communication with City during procurement phase: Any questions about either the content of or the procurement process pertaining to this procurement solicitation should be addressed as described above. Until the procurement award has been made, vendors shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

City of Franklin Addendum No. 2 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

1. Solicitation identified: This Addendum No. 2 applies to the following procurement:
financial and compliance auditing services
Purchasing Office Solicitation No.: 2015-020 and 2015-021
2. Notice to Proposers publication date: **January 15, 2015**
3. Solicitation release date: **January 16, 2015**
4. Deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation: **January 29, 2015, 2:00 p.m. Central Time**
5. Addendum No. 1 release date: **February 4, 2015**
6. Addendum No. 2 release date: **February 16, 2015**
7. Proposals submittal deadline and scheduled opening:
~~**February 17, 2015, 2:00 p.m. Central Time**~~
February 19, 2015, 2:00 p.m. Central Time
8. Tentative date of release of City's tabulation of proposals received and notice of intent to award:
March 6, 2015 or March 20, 2015
(depending upon whether interviews are conducted)
9. Tentative date of award: Meeting of Board of Mayor and Aldermen at which is tentatively scheduled to be awarded the selection of the proposal that best meets the needs of the City:
March 24, 2015 or April 28, 2015
(depending upon whether interviews are conducted)

10. Addendum:

In reference to the City of Franklin's **January 16, 2015** Purchasing Office Solicitation Nos. **2015-020 and 2015-021** for **financial and compliance auditing services**, in light of today's weather and road conditions, the City has decided to postpone the submittal deadline and scheduled opening of all proposals received.

The purpose of this Addendum No. 2 is to provide to all interested service providers the City's decision to postpone the submittal deadline.

Please note that the submittal deadline and scheduled opening of all proposals received is hereby postponed to:

February 19, 2015, 2:00 p.m. Central Time

City of Franklin Addendum No. 2 to
Purchasing Office Solicitation No.: 2015-020 and 2015-021

11. Acknowledge receipt of addendum: Proposers shall acknowledge receipt of this addendum on the Proposal Submittal Form in the space to the right of the text on that form that reads, "Receipt acknowledged of any and all issued addenda to this solicitation."

12. Questions: The deadline for optional submittal in writing of questions seeking to revise or clarify any aspect of this procurement solicitation has now passed. To ask questions of a procedural nature, please contact:

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Ave. South
Franklin, TN 37064
purchasing@franklintn.gov
Tel: 615/550-6692
Fax: 615/550-0079

13. Communication with City during procurement phase: Any questions about either the content of or the procurement process pertaining to this procurement solicitation should be addressed as described above. Until the procurement award has been made, vendors shall not communicate about either the content of or the procurement process pertaining to this procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

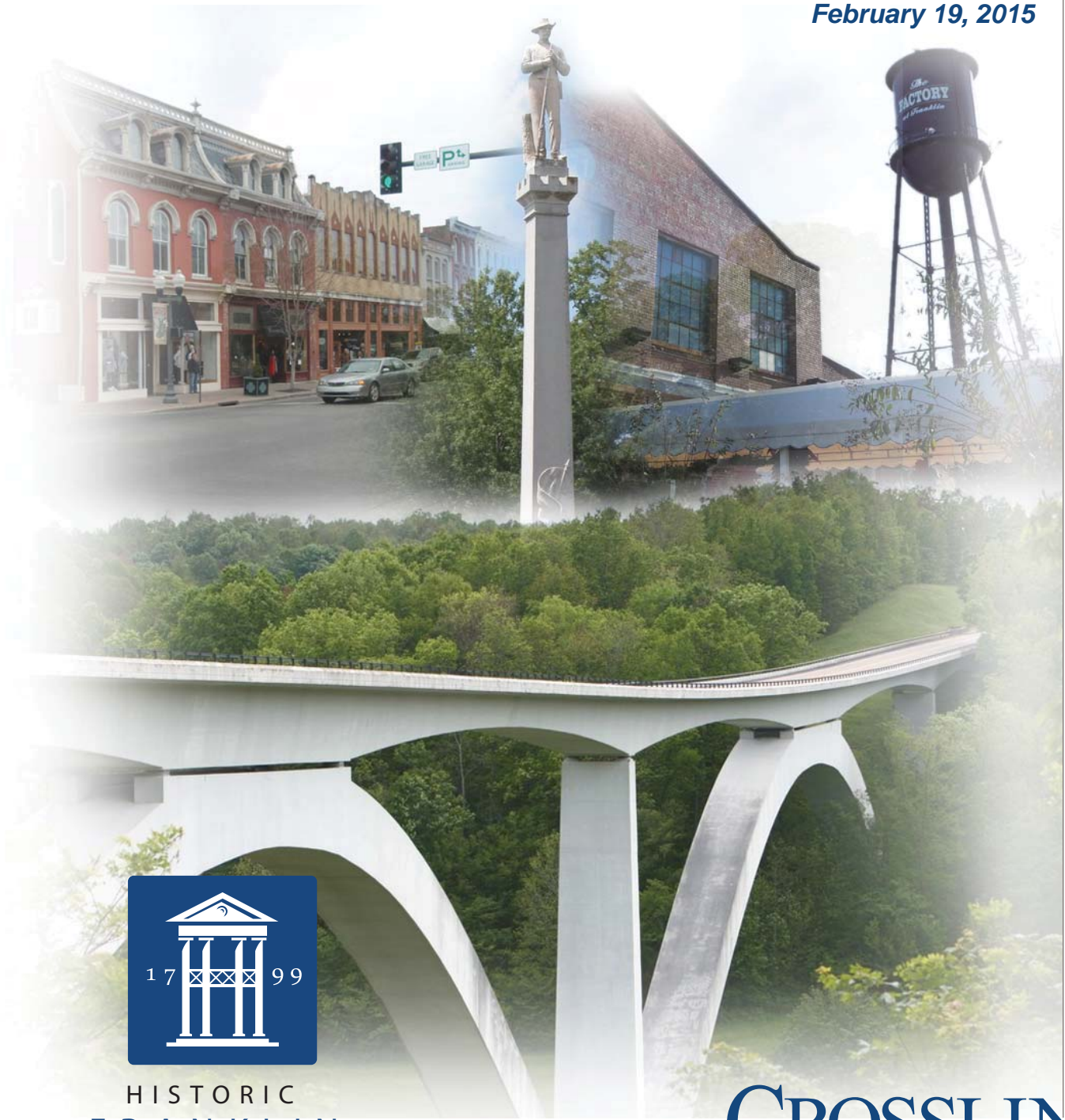
CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
(City of Franklin Contract No. 2015-0060)

Attachment No. 2

SUBMITTAL



City of Franklin, Tennessee
Proposal to Provide
Professional Audit Services
February 19, 2015



HISTORIC
FRANKLIN
TENNESSEE

CROSSLIN
& ASSOCIATES
BUSINESS SOLUTION PROVIDERS



February 19, 2015

City of Franklin Purchasing Office
Franklin City Hall, Suite 107
109 3rd Avenue South
Franklin, Tennessee 37064

Ladies and Gentlemen:

Crosslin & Associates, PLLC ("Crosslin"), is pleased to respond to your Request for Proposal and to demonstrate our unique credentials to continue to provide professional financial and compliance auditing services to The City of Franklin, Tennessee (the "City") for the year ending June 30, 2015, and our willingness to contract with the City for up to a total of 5 years. Crosslin has proudly served as the City's independent auditors for the past 4 years, and we are intimately familiar with the inner workings of your financial operations. As you know, our firm, and specifically your Crosslin service team, has extensive experience in governmental auditing and managing multidimensional audits such as yours. We are excited about this opportunity to again showcase our credentials and are confident that Crosslin will continue to be the best choice for The City of Franklin, Tennessee's independent auditing needs.

Functional Requirements

Crosslin & Associates fully understand the scope of work requested by the City as detailed within the RFP.

We are committed to performing the work within the timeframe set forth in the RFP. This proposal represents a firm and irrevocable offer if accepted within 120 days.

* * * * *

We believe the Crosslin team is the best qualified to continue serving the accounting and audit service needs of the City for the following reasons:

Experience, Expertise, Value, and Trust

Experience, expertise, value, and trust. That's what you look for in your business partners. In this proposal, we will show you how we meet these criteria and why Crosslin is the continued answer to your unique requirements. We will also address how we will revise our approach and service plan for the upcoming years for the benefit of the City.

Any firm can list its qualifications, but a reputation for superior service must be earned and maintained. While we are understandably proud of our credentials, we place equal value on our reputation for dedication to our customers. On each and every engagement we undertake, we pledge to work with our customers to achieve their goals in a timely and efficient manner.



Trust in your accounting firm to perform as requested, to become vested in your processes and mission, and to always consider the City's needs with a sense of urgency is what we pledged to you in 2011. Trust must be earned through a firm's actions, not their promises. We believe the City's accounting team members would say they trust Crosslin & Associates and that we kept our 2011 promises. We encourage you to ask them.

Team that Understands the City

Over the past 4 years, Crosslin has developed an in-depth understanding of the unique business and other issues facing the City. We understand the business of government, your transaction cycles, and the critical accounting and auditing issues that you face on a daily basis. Our audit approach focuses on the continuation of frequent contact with management throughout the year. We have an active understanding of the changes in the business and strategic direction of the City, which is critical to audit quality. Our extensive hands-on involvement of Principals and Managers ensures that we gain a full understanding of the operations, issues, and leadership of the City. We have worked well with the City's Finance team and will continue to do so.

Extensive Experience in Serving the Government Sector

Crosslin & Associates, PLLC is one of Tennessee's premier professional accounting service firms. Our team members have vast experience in providing services to governmental entities. Our practice is extensive, and we annually train our entire staff and numerous industry professionals to meet *Government Auditing Standards* and to comply with the AICPA's training guidelines as to hours and content. The testimonials throughout this proposal will attest to our understanding of the governmental operations, risk, and business decisions.

We have significantly more depth of resources and experience in auditing governmental entities than ANY firm in Middle Tennessee. Our customers include, among others, the City of Franklin, The Metropolitan Government of Nashville and Davidson County, the City of Knoxville, the City of Clarksville, the City of White House, Metropolitan Nashville Airport Authority, Metropolitan Transit Authority, Murfreesboro City Schools, Tennessee Technology Development Corporation d/b/a Launch Tennessee, The Tennessee Project (A study of the Tennessee Public Defender System and Attorney Workload Standards) - ABA and NACDL, and Tennessee School Boards Association. Our prior customers have included the City of Belle Meade, Sumner County Government (10 years), Nashville Electric Service, Harpeth Valley Utilities District, and the Metropolitan Development and Housing Agency. We perform A-133 audits for more than a dozen entities that are in receipt of major government funding covering more than one-half billion in federal and state awards including the government entities listed above, as well as Meharry Medical College, Church World Service, Union University and Carson-Newman University.

Your engagement team understands the government sector and is committed to raising that level of understanding year after year. Other accounting firms may have specialists in other cities or industry teams, but what really matters is the intent and ability to use available competent personnel as needed. Our firm and our team is 100% based in Nashville as opposed to another city in another state. We have many years of cumulative governmental experience. You will not find this level of experience in any other firm locally. It's our firm commitment to use those resources, our experience, and our knowledge of Middle Tennessee, on a timely basis to serve the City, and that sets us apart from other firms.



Other Important Factors

- Crosslin is a Nashville-based accounting and consulting firm that works all over North America and brings fees into Middle Tennessee to be spent to support Middle Tennessee businesses, services, and governments. Because we do not have an executive office in another city, partners spanning the globe, or mind-boggling liability insurance and litigation settlement costs, our fee structure provides for dramatically lower costs to our customers – as you have experienced over the course of our engagement. Furthermore, the City did not have to accept less expertise, quality, or responsiveness to realize those savings. Please ask your accounting and finance team as to their satisfaction with our services.
- As we have demonstrated, our service philosophy provides significantly higher levels of hands-on senior leadership time on your audit compared to other firms which are highly leveraged with junior staffers. Our principals and managers will continue to be in the field working on your audit. Our Principal and Manager time is approximately 40% of our total budgeted time.
- Crosslin & Associates, PLLC is an independent member of the BDO Alliance USA, a national network of select accounting firms with direct ties to BDO. BDO International is one of the largest accounting firms in the world. BDO's resources are comparable to any other international accounting firm, including the Big Four. Our affiliation with BDO allows you to have available all of the resources of an international accounting and consulting firm (when needed), but with local, personalized service at a reasonable cost. We have several local principals with significant depth and experience, and the City would never be one partner rotation away from not being locally served.
- We continue to be committed to the delivery of superior customer service which includes proper planning and executing highly efficient audit services. We contribute well thought-out and constructive suggestions for your consideration. Part of our firm's mission is to attract and retain team members of the highest character who have the ability to interface with your team. We are not just looking to meet minimum requirements. We are building a strong team which has recurring experience with the City's engagement. We know your expectations of us will continue to be very high, and we will not disappoint.

Final Thoughts

- In these turbulent economic times, resources are scarce and needs are many. Governments are hard pressed to allocate the revenues to the many valuable services they provide to their citizens. Our proposal offers a viable solution: an audit team that equals or exceeds the expertise, quality, and responsiveness of local and National firms, but at much reduced expense.
- You will also notice a difference in our team mix, which has a much higher concentration of principals and managers deployed on site day-to-day. The following pages set forth how Crosslin has formed a service team that responds to your every need and expectation. We have local, Middle Tennessee professionals with significant governmental experience, combined with access to National firm resources.



* * * * *

These points are but a few examples of the credentials which make Crosslin the right team for the City. We are confident that the services we offer will exceed your expectations, and that our continuing commitment to outstanding customer service will reflect the same dedication with which the City serves the citizens of Franklin. We would appreciate the opportunity to continue working with the City, and we look forward to furthering our relationship with you.

Crosslin & Associates, PLLC hereby states that the person signing the proposal (J. Dell Crosslin, Managing Principal) is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City.

I will serve as the authorized negotiator on behalf of this firm. My contact information is as follows:

Company Name: Crosslin & Associates, PLLC
Attention: Dell Crosslin, Managing Principal
Address: 3803 Bedford Avenue, Suite 103
City/State/Zip: Nashville, Tennessee 37215
Phone: 615.320.5500
Fax: 615.329.9465
Cell: 615.496.2525
Email: dell.crosslin@crosslinpc.com

If you have questions about any information in our proposal, please contact Dan Miller, Audit Principal, or me. We would consider it a privilege to continue to provide independent auditing services to The City of Franklin, Tennessee.

Sincerely,

CROSSLIN & ASSOCIATES, PLLC

J. Dell Crosslin, CPA, CFE
Managing Principal

"Since arriving in the Clerk's Office, I've been extremely impressed with the expertise and professionalism exhibited by the Crosslin & Associates audit team. Their assistance and guidance has proven invaluable to our organization."

Brenda Wynn
Davidson County Clerk



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Proposal Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

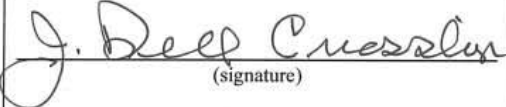
Purchasing Office Solicitation No.: 2015-020 and 2015-021

Vendor's name, street address, and mailing address:	Crosslin & Associates, PLLC <hr/> The Astoria <hr/> 3803 Bedford Avenue, Suite 103 <hr/> Nashville, Tennessee 37215 <hr/>
Vendor's contact person's name (printed), title, telephone number and e-mail address:	J. Dell Crosslin <hr/> Managing Principal <hr/> (615) 320-5500 <hr/> dell.crosslin@crosslinpc.com <hr/>
Does the proposer take any exceptions to the City's procurement solicitation?	<input type="checkbox"/> Yes, see enclosed. <input checked="" type="checkbox"/> No, proposer takes no exceptions.
Are exceptions, if any, to the City's procurement solicitation listed, described, compared to the City's intention as expressed and implied by the City's solicitation documents, and submitted?	<input type="checkbox"/> Yes, see enclosed. <input checked="" type="checkbox"/> No, proposer takes no exceptions.
For which scope of work does this proposal pertain (choose one or both)?	<input checked="" type="checkbox"/> 2015-020 (City of Franklin) <input type="checkbox"/> 2015-021 (Conference Center of Cool Springs)
Fee proposal is sealed in a separate envelope and submitted with the technical proposal (yes/no):	<input checked="" type="checkbox"/> Yes, see enclosed. <input type="checkbox"/> No.
Are the City's preferred payment terms (net 30 days from date of delivery or date of invoice, whichever is later) acceptable to proposer?	<input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No, proposer requests the following payment terms: _____
Last date (no sooner than May 31, 2015) that proposal and associated pricing is valid and may be accepted by the City:	June 17, 2015 <hr/>
Method of payment – The City prefers to pay its vendors electronically, either by direct deposit (i.e., "ACH" or "Electronic Funds Transfer"), or by Visa credit card, rather than by conventional check. Which payment method would the bidder prefer?	<input checked="" type="checkbox"/> ACH or Electronic Funds Transfer. <input type="checkbox"/> Visa credit card.

Proposal Submittal Form

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

Purchasing Office Solicitation No.: 2015-020 and 2015-021

Proposer's name:	<u>Crosslin & Associates, PLLC</u>
<p>Are the following included with this Proposal Submittal Form in the submittal?</p> <ul style="list-style-type: none"> • Detailed vendor-supplied description of proposed product(s) and/or service(s); • Identification, listing and description of any exceptions to the procurement solicitation; • Contact information for required references (see Request for Proposals); • City of Franklin Standard Procurement Terms and Conditions, with the vendor's contact information inserted; • Vendor's proposed agreement or contract, if any, the terms and conditions of which shall be not inconsistent with the City's Standard Procurement Terms and Conditions; • City of Franklin Affidavit of Non-Collusion, executed in full; and • City of Franklin Affidavit of Title VI Compliance, executed in full. 	<p><input checked="" type="checkbox"/> Yes, see enclosed.</p> <p><input type="checkbox"/> No, proposer chooses <u>not</u> to include the documents indicated (NOTE: doing so may cause the City to deem the proposal non-responsive).</p>
Receipt acknowledged of any and all issued addenda to this solicitation:	<p><input checked="" type="checkbox"/> Addendum No. <u>1</u> received.</p> <p><input checked="" type="checkbox"/> Addenda Nos. <u>2</u> received.</p> <p><input type="checkbox"/> No addenda received.</p>
<p>Signature of proposer's authorized representative: I have received and read, and do understand and consent, to all instructions, terms and conditions, including those imposed by reference, which apply to this procurement solicitation and compliance with which is required as a condition precedent to consideration of the proposal submitted herewith.</p>	 (signature)
Title of proposer's authorized representative:	<u>Managing Principal</u>
Date of signature:	<u>2-19-15</u>



Why Should the City Re-engage Crosslin & Associates, PLLC?

1. Comfort Level and Commitment

With Crosslin, what you see is what you get! **The City will continue to be a paramount customer of our firm. We believe that we have shown the difference in firms by our dedication and personal attention to you over the last 4 years. Crosslin is large enough to have the resources to serve you well and small enough to care. We are committed to every aspect of your satisfaction.** Our senior leadership team shows up and works hard every day to try to make us a better firm, and the same commitment applies to you. We never believe we cannot be better. **We are a firm devoted to our people, our customers, and our profession.**

As evidence of our commitment, our team has delivered the financial statements and report to the Board of Mayor and Alderman much earlier than had been done in the past. Our timing allows the City to meet or exceed all Federal and State deadlines. We have consistently had timely performance for four years.

Additionally, GFOA's review of the 2010 CAFR (the year before we became the City's auditors) identified many areas for improvement, including several which were significant. During our tenure, we have worked diligently with the City's Finance team to significantly reduce the number of GFOA comments and have gained "proficiency" in all CAFR areas examined by GFOA. At the invitation of Russell Truell, our team members have been presenters at the TNGFOA conferences on various topics affecting local governments.

2. Local Firm

We are a local firm bringing resources and dollars into our economy. The fees that the City pays Crosslin will be spent locally to improve our economy and to aid the City's mission. We are a Middle Tennessee firm and focus our efforts on Tennessee. Our team members live in the communities you serve.

3. Reasonable Fee

The basis for quality audit work is not based on price alone, but upon highly experienced leadership which, when combined with extensive planning activities and a hands-on approach, leads to effective and efficient audit service delivery. We are better able to control overhead costs than larger, multi-office firms, and that ability has a direct, favorable impact on our rates. More favorable rates, combined with the above-mentioned factors and our institutional knowledge as the auditors of the City for the past 4 years, position Crosslin to provide highly cost-effective solutions for you.

Other firms may submit lower prices, but you can count on Crosslin's relationship with the City to continue to be one of mutual respect and one that provides outstanding customer service. You must also consider the internal costs and drain on the City's staff to change accounting firms. Significant City staff time will be monopolized by new external auditors getting up to speed on the various entities and their processes. This internal cost to the City would be significant.



Why Should the City Re-engage Crosslin & Associates, PLLC?

4. Experience of Our Team

Our governmental experience is unmatched by any competing firm. Our leaders have 167 years of governmental experience. This is why Crosslin serves as the firm of choice for four of the largest cities in Tennessee.

Other accounting firms may have specialists in other cities or industry teams, but what really matters is the intent and ability to use available competent personnel as needed. It's our commitment to use our resources on a timely basis to serve the City; that sets us apart from other firms. Our team has remained relatively consistent by design, which benefits the experience level and efficiency of the audit process.

Trust is earned by actions, not words. It is earned by being vested in the audit process for 4 years, and demonstrating the sense of urgency necessary to respond to an ever-changing City structure and mission.

5. Audit Firm Rotation - Not Necessarily the Best Policy

The audit of a customer the size of the City functions better with institutional knowledge, and that knowledge takes time. A period longer than 4 years (assuming the firm is performing satisfactory) is generally preferable by most customers.

According to an AICPA Briefing Paper on Audit Firm Rotation, mandatory audit firm rotation could result in the following undesirable consequences:

- *Increase in audit failures.* Studies by the Public Oversight Board, Commission on Auditor's Responsibilities, and the National Commission on Fraudulent Financial Reporting found that audit failures are three times more likely in the first two years of an audit. Thus, there is a positive correlation between auditor tenure and auditor competence.
- *Increased start-up costs.* Changing auditors results in more frequent start-up costs, both for the auditor and the customer they are serving.
- *Increased difficulties in timely reporting.* Mandatory rotation makes timely reporting more difficult because audit firms need to meet a very short "learning curve" to perform a rigorous audit.



Why Should the City Re-engage Crosslin & Associates, PLLC?

5. Audit Firm Rotation - Not Necessarily the Best Policy (continued)

- *Loss of “institutional knowledge.”* Over successive audits, audit firms increase institutional knowledge, including, for example, their knowledge of the customer’s accounting and internal control systems. This benefit would be greatly diminished by mandatory rotation. This factor is particularly true in the City’s current situation.

In conclusion, the AICPA believes that mandatory audit firm rotation leads to higher costs (internal and external), the distinct possibility of lower audit quality, and in many cases makes it more likely that fraud and waste will go undetected.

Crosslin provides a fresh perspective through the rotation of principals on the various entities which we believe is more effective than changing firms. This fresh perspective ensures that the City does not lose the in-depth institutional knowledge that we as a firm have gained over the last 4 years while also enabling the City to avoid the negative effects of firm rotation. No other firm has the level of experience we have with the City.

An RFP ensures the City of a competitive and reasonable fee, and continuation of Crosslin & Associates assures institutional knowledge, excellent service, and trust.

6. Experience with Complex Engagements

The Crosslin team is comprised of professionals who have decades of experience working on complex engagements and meeting deadlines. In addition to the City, we serve the Metropolitan Government of Nashville and Davidson County, which is a complex governmental entity consisting of 70 fund reporting units plus component units and agencies (for five years), we also serve Coreslab Holdings U.S., Inc., a subsidiary of a Canadian Holding Co. which consists of 17 individual subsidiary audits in 14 states and a consolidated audit to be completed within 55 days of year-end (over 2,000 hours), and GCFA and related agencies and entities of The United Methodist Church, consisting of 22 separate sets of financial statements (over 4,000 hours) for entities located in New York, NY, Washington D.C., and Nashville, TN with a six-month reporting deadline, which we met each year. The timing of these engagements do not and have not conflicted in any way with our City timeline. These jobs demonstrate Crosslin’s ability to complete complex engagements on a timely basis.

Other complex jobs performed by Crosslin & Associates include the City of Knoxville, City of Clarksville, Tom James Company, Southwestern/Great American, Inc., and the Tennessee Baptist Convention.



Why Should the City Re-engage Crosslin & Associates, PLLC?

7. Principal and Manager Involvement

The principals and managers assigned to your engagement will be involved with you throughout the year. Crosslin's philosophy is to provide you with business partners who are available year-round to assist you. In addition, the senior leadership level reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis. Please ask management to confirm that this has been true for the past 4 years.

Our principals and managers commit to spending nearly 200 hours on the engagement. This represents approximately 40% of our estimated hours. No other firm will match this involvement of senior team members. Again, please ask the City staff about our level of principal involvement. It is unmatched.

8. Service Dedication

You will never have a more experienced and trusted partner committed to you. Our firm is the premier governmental and not-for-profit entity firm in Nashville (approximately 90 customers) and we are located within 16 miles of your office. Our team has strived to consistently enhance service quality since 2011. We will do whatever it takes to help you accomplish your mission plan and to deliver superior services.



Our Experience with Governments

Experienced and knowledgeable business advisors are of paramount importance to your ability to operate effectively. To that end, working with organizations in the governmental and not-for-profit arena is a specialty of Crosslin – we have been working with these types of entities for more than 27 years. We currently serve nearly 90 governmental entities and not-for-profit organizations and provide them with a wide variety of services, including audits, internal control reviews, and management consulting. We work closely with our governmental and not-for-profit customers to ensure that their organizations run as smoothly and efficiently as possible. Our extensive experience provides us with understanding of the specific issues and risks faced by governmental entities.

Additionally, the members of our sizeable audit team work with governmental and not-for-profit customers on a daily basis; at the supervisory accountant level alone (those who oversee audit staff from day to day), our team members combined have more than 167 years of governmental experience among them. With unsurpassed experience in auditing governmental entities, Crosslin will undoubtedly provide you with unparalleled quality and immeasurable customer service.

The Crosslin team performs more than 15 single audit (A-133) engagements annually, covering more than one-half billion dollars in federal award expenditures. Through our experience and training we are very familiar with the compliance programs and issues facing the City.

Due to our extensive governmental and not-for-profit experience, a deeply rooted common body of knowledge has developed in those areas. As a result of our knowledge in the trends and accounting practices in the governmental field, we are able to answer virtually any audit question you may have as it arises. It is critical that your engagement team members be well versed in the pronouncements that are being continuously released by GASB.

GASB 34 Model Experience

Crosslin's tenure in the governmental sector has afforded us the privilege of assisting several governments in preparing for GASB 34. Specifically, we assisted five governments with their initial implementation of the Statement including Sumner County, City of Belle Meade, City of Clarksville, Murfreesboro City Schools, and Harpeth Valley Utility District. This gives us valuable experience in the continued application of the GASB 34 model.

Our current customers with significant GASB 34 adjustments and reporting issues include Metropolitan Government of Nashville and Davidson County, the Cities of Franklin, Clarksville, Knoxville, and White House, and Murfreesboro City Schools. Others reporting under the GASB 34 model include Metropolitan Transit Authority, Metropolitan Nashville Airport Authority, Clarksville Gas, Water, and Sewer, and Clarksville Department of Electricity. In addition, our firm has provided ongoing training to our customers and others to assist them in understanding both the broad concepts reflected in the GASB 34 model, as well as the intricacies set forth in it and its amendments. We routinely conduct training sessions for us and our customers, and Dan Miller and David Hunt have served as instructors for in-house continuing professional education courses addressing GASB 34 issues.



Our Experience with Governments

GFOA Certificate of Achievement Program

Crosslin has significant, in depth experience with GFOA's Certificate of Achievement Program. Our current certificate holders include:

- City of Franklin, Tennessee
- Metropolitan Nashville Airport Authority
- Metropolitan Government of Nashville and Davidson County, Tennessee
- City of Knoxville, Tennessee
- City of Knoxville Pension System

With these governments, our work includes actual hands-on experience in addressing the voluminous GFOA requirements. We read the GFOA checklists and attend financial reporting training. If ever a GFOA question arises, our resources include BDO's National Governmental Accounting group, our memberships in the AICPA Governmental Audit Quality Center, and John F. Georger, an AICPA nationally recognized leader in governmental accounting.

In our work with the City of Franklin and Metro Nashville Airport Authority, we were successful in significantly reducing the number of comments received on the respective CAFRs. Please call our references to gain a full understanding of our knowledge and work on the Certificate of Achievement Application.

We have access to the GFOA checklists, as well as the Governmental Accounting, Auditing, and Financial Reporting ("Blue Book") which are essential for appropriate presentations under the GFOA program.

As is discussed in various other sections of this proposal, our governmental training programs significantly exceed the required hours. A large part of this training is geared toward financial reporting and the GFOA program.

We are fully committed to assisting the City with its application for the Certificate of Achievement and we have the thorough experience, training, and resources in place to do it.



Our Experience with Governments

Similar Significant Engagements

The following list details similar engagements to the City which demonstrates our experience with governmental entities of a similar nature.

Similar Engagements with Other Government Entities							
	Scope of Work	Work Start Date	Work Completion Date	Engagement Partners	Total Hours	Customer Contact Name	Customer Contact Phone Number
Metropolitan Government of Nashville and Davidson County, Tennessee	Pension Funds General Hospital Bordeaux Retirement CAFR Central Government A-133 Water and Sewerage Public Schools School Activity Funds	4/15/2010	Present	David Hunt Dell Crosslin Dan Miller John Crosslin Two DBE Firms and One Sub-Contractor Firm	7,000	Kim McDoniel	(615) 862-6114
City of Knoxville, Tennessee	Primary Government CAFR Knoxville Area Transit A-133 State Compliance	4/10/2013	Present	David Hunt Dan Miller One DBE Firm and One Sub-Contractor Firm	1,400	Melissa Peters	(865) 215-3022
City of Clarksville, Tennessee	Primary Government CAFR Electric Department Gas Department Water and Sewer Natural Gas Acquisition A-133 State Compliance	4/10/2013	Present	Dan Miller John Crosslin Dell Crosslin	1,500	Lynn Stokes	(931) 648-6106
City of White House, Tennessee	Primary Government Waste Water Department	7/16/2009	Present	David Hunt Dell Crosslin	750	Charlotte Soporowski	(615) 672-4350
City of Knoxville Pension Board	Pension Plan	6/30/2014	Present	Dan Miller	300	Kristi Fowler Paczkowski	(865) 215-1444

In addition to the above current customers, we also served the Nashville Electric Service for 5 years, Metropolitan Development and Housing Agency for 11 years, Sumner County for 10 years, and Harpeth Valley Utilities District for 22 years.

Our experience covers all the areas that are important to Franklin:

- General Government
- Special Revenue Funds
- Water and Sewerage
- Pension Funds



Our Experience with Governments

The list below highlights some of our team's current and prior governmental, education and not-for-profit customers.

Government and Not-for-Profit/Other

City of Franklin, Tennessee
Metropolitan Government of Nashville and Davidson County
City of Knoxville, Tennessee
City of Clarksville, Tennessee
City of White House, Tennessee
Knoxville Pension System
Metro Water and Sewerage
Metropolitan Government : Performance Audits for Metro Internal Audit Department and Metro Water Services
Metropolitan Nashville Airport Authority
Metropolitan Transit Authority
Murfreesboro City School System
CDE Lightband
Clarksville Gas, Water and Sewer
General Council on Finance and Administration of The United Methodist Church (22 entities) (prior)
Sumner County Government (prior)
Harpeth Valley Utilities District (prior)
State of Tennessee
Metropolitan Development & Housing Agency (prior)
Church World Service
Cumberland Region Tomorrow
Nashville Public Television
Tennessee School Boards Association
Tennessee Insurance Guaranty Association
The Entrepreneur Center
Welcome Home Ministries
First Baptist Church Clarksville
Englewood Baptist Church
The Next Door, Inc.
United Methodist Women
Mur-Ci Homes, Inc.

Universities and Colleges

The University of the South (prior)
Meharry Medical College
Belmont University (prior)
Bethel University
Carson-Newman University
Union University
Fisk University
Martin Methodist College
Watkins College of Art & Design
O'More College of Design

Foundations

The PENCIL Foundation
St. Thomas Foundation (prior)
Tennessee Baptist Foundation

Tennessee Baptist Convention

Tennessee Baptist Convention and related entities
Tennessee Baptist Ethics and Religious Liberty Commission
Tennessee Baptist Church Planting Loan Fund
Baptist Health Care Center
Tennessee Baptist Children's Homes, Inc.
Tennessee Baptist Adult Homes, Inc.
Harrison-Chilhowee Baptist Academy



Our Experience with Governments

As noted previously, we perform numerous Single Audit (A-133) engagements annually covering more than one-half billion dollars in federal and state grants and award expenditures. These awards are expended across the United States and in numerous foreign countries. We have the ability to audit organizations across the globe and have done so. Federal and state grants and award programs in which our governmental, higher education, and not-for-profit entities participate include the following federal departments (Details of the specific grant programs are listed when they would be of interest to the City.):

Department of Agriculture (USDA)

Department of Defense (DOD)

Department of Energy (DOE)

Energy Efficiency and Conservation Block Grant Program, including ARRA
Weatherization Assistance for Low-Income Persons

Department of Housing and Urban Development (HUD)

Community Development Block Grants/Entitlement Grants Cluster
Supportive Housing Program
Emergency Shelter Grant Program
Home Investment Partnership Program
Housing Opportunities for Persons with Aids
Shelter Plus Care
Section 8 Moderate Rehabilitation Single Room Occupancy
Public and Indian Housing
Demolition and Revitalization of Severely Distressed Public Housing
Resident Opportunity and Supportive Services- Service Coordinators
Section 8 Housing Choice Vouchers
Mainstream Vouchers
Cleveland Park Summer Enrichment - Parks
Survey, Studies, Research, Etc., Relating to the Clean Air Act

Environmental Protection Agency (EPA)

Air Pollution Control Program Support
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities
Relating to the Clean Air Act
Capitalization Grants for Clean Water State Revolving Funds, including ARRA
Capitalization Grants for Drinking Water State Revolving Funds, including ARRA
Brownfield's Assessment and Cleanup Cooperative Agreements



Our Experience with Governments

Institute of Museum and Library Services

Department of Interior

Outdoor Recreation - Acquisition, Development and Planning
Battlefield Acquisition Grants

National Science Foundation

Department of Justice (DOJ)

Residential Substance Abuse Treatment for State Prisoners
Juvenile Accountability Block Grants
Crime Victim Assistance
Violence Against Women Formula Grants, including ARRA
Bullet Proof Vest Partnership Program
Community Prosecution and Project Safe Neighborhoods
Public Safety Partnership and Community Policing Grants (ARRA)
Gang Resistance Education and Training
Justice Assistance Grant
Anti-Gang Initiative
Criminal and Juvenile Justice and Mental Health Collaboration Program
Edward Byrne Memorial Competitive Grant Program
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories (ARRA)
Edward Byrne Memorial Justice Assistance Grant (JAG) Program /Grants To Units of Local Government (ARRA)

Department of Labor (DOL)

Department of State

Department of Transportation (DOT)

Occupant Protection
Airport Improvement Program
Federal Transit Cluster
Federal Transit Metropolitan Planning Grants
Highway Planning and Construction Cluster, including ARRA
Highway Safety Cluster
Alcohol Open Container Requirements



Our Experience with Governments

Department of Education (ED)

Department of Health and Human Services (HHS)

Department of Homeland Security (DHS)

State Domestic Preparedness Equipment Support Program
Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Hazard Mitigation Grant
Homeland Security Grant Program
Hurricane Katrina Case Management Initiative Program
Disaster Housing Assistance Grant
Urban Areas Security Initiative
Flood Mitigation Assistance
Emergency Management Performance Grants
Pre-Disaster Mitigation
Port Security Grant Program

U.S. Agency of International Development (USAID)



Our Experience with Governments

Our firm prides itself on maintaining up-to-date information and trends that affect our governmental customers. Additionally, Crosslin annually hosts a two-day (held May 12 and 13, 2014) seminar in governmental and not-for-profit accounting and auditing. The City's accounting team will receive invitations to attend all of our educational conferences (free of charge) for which attendees receive CPE credit.

As a result of the governmental and not-for-profit seminar, the most current documents regarding pending technical matters and compliance with OMB Circulars A-133, A-87, A-110 and A-21 and the new "Super Circular" are furnished to Crosslin in an organized manner. Even though most are available on the Internet, this organization and summary aids in implementing new regulations. These materials will be furnished to the City's finance staff (if desired).

Additionally, we will be glad to furnish related audit checklists, especially IT-related lists to your internal audit staff or team members.

Additional Areas of Expertise

Other areas of expertise include the following:

- **Tax services** include planning and preparation for universities, foundations, partnerships, fiduciaries, trusts and not-for-profit taxation. Considering our specific experience with not-for-profit entities, we have prepared numerous Forms 990-PF, Forms 5500, Forms 1040 NR and have advised our customers in the area of non-related business income and other matters applicable to not-for-profits.
- **SSAE 16 (formerly SAS 70)** and internal control reporting assistance to management includes evaluating, modifying, and documenting internal controls for internal evaluations and for governmental and public reporting requirements.
- **Performance Audits** for governmental and not-for-profit entities are another service that Crosslin excels in because of our extensive knowledge and experience with these entities and their operations.



Our Experience with Governments

- **Internal Control Reporting** assistance to management includes evaluating, modifying, and documenting internal controls for internal evaluations and for public reporting requirements. We also provide comprehensive Sarbanes-Oxley compliance services, including COBIT.
- **IT Security** is becoming increasingly important to all aspects of governments and corporate businesses in order to protect an organization's and an individual's private information. Our team has the experience to create and implement a security plan to suit your needs. We also perform penetration tests.
- **Information Systems Reviews** help customers determine whether information technology is as effective and efficient as possible and evaluate controls in the IT environment as they impact financial reporting.
- **Forensic Audits, Valuation and Litigation Support** is a suite of services executed by specifically certified professionals, with team credentials such as CPA, CFE, ABV, CVA, CFF, and PhD.
- **IT Governance** is a subset of organizational governance and focuses on the belief that the managers, directors and others in charge of the City must understand the role of IT in the organization. We are experts in helping management implement rules and regulations to control the IT infrastructure and develop practices to distribute responsibilities. Changes in the laws and new regulations, such as Sarbanes-Oxley, have increased the need for governance controls. We have not only reviewed IT governance, but we have also helped our customers create IT strategy committees, develop policies and procedures, define job roles, and perform IT risk assessments. In other words, we know how to adapt our procedures to the City's objectives.
- **IT Forensic Services** - Crosslin has been selected by one of the largest retail companies in the world to provide forensic IT services, as a preferred vendor. In this capacity, Crosslin will be capturing data (both electronic and digital video) that may be required by human resources or legal council.

The Crosslin team will be much more than your auditors. We will use every engagement as an opportunity to identify and communicate suggestions to enhance your operations and expand your service delivery opportunities.



Other Representative Customers to Demonstrate Our Overall Experience

Athens Paper Company



Athlon Sports Communications

Autrans Corporation

Centrum Nashville, LLC

Chairmans Foods, Inc.

Choice Food Group

Citizens Savings Bank & Trust

Community Care, Inc.

Consumer Gasoline Stations

Coreslab U.S. Holdings, Inc.

J. Alexander's Corporation

Mapco Express

Mur-Ci Homes, Inc.

Nashville Orthopedic Specialists

O'Charley's, Inc.

Poinciana Management, Inc.

Rodgers Capital

Sagittarius (Captain D's)

Sholand, LLC

Southwestern / Great American, Inc. and Subsidiaries

Specialty Care Services Group

Sun-Drop Bottling

Tennessee Sports Medicine & Orthopaedics, P.C.

Tom James Company

XMI, Inc.



SPECIALTY CARE SERVICES GROUP



Southwestern / Great American, Inc.



SAGITTARIUS BRANDS





Overview of the Firm

Crosslin & Associates, PLLC is a firm of accountants, auditors and consultants located in Nashville, Tennessee. We have approximately 60 team members, 11 of whom are principals in the firm and we serve customers all over the United States as well as internationally.

Our firm was founded as a PC more than 27 years ago by Managing Principal Dell Crosslin, David Hunt and two other CPAs with the desire to provide organizations with an alternative to the national accounting firm options. Several of the founding team came from “Big Four” firms and believed that a regional firm with national firm resources could provide quality service to organizations with more reasonable fees, more personal attention, and with a greater sense of urgency to deliver services to our customers. As national firms directed their focus to SEC and larger customers, Crosslin & Associates set out to serve governmental customers and utilities, educational institutions, not-for-profits, universities, and privately-owned companies, as well as to provide alternative services to the SEC market. Our firm has elected to register with the Governmental Audit Quality Center (“GAQC”), the Employee Benefit Plan Audit Quality Center (“EBPAQC”) of the American Institute of Certified Public Accounts (“AICPA”), and the Public Company Accounting and Oversight Board (“PCAOB”). We believe these memberships demonstrate our commitment to excellence in serving our customers.

Over the years, principals were added, the name has changed, and we have moved locations a few times, but the cornerstone on which the firm was founded has remained the same – to deliver outstanding service.

Crosslin & Associates has been named “Best in Business” and one of the “Best Places to Work” finalists in Middle Tennessee by the *Nashville Business Journal*. Crosslin recruits the best employees available without regard to race, religion, sex, or disabilities. Our team members are a diverse group of extremely talented individuals dedicated to outstanding service and the complete satisfaction of every customer we serve.

Crosslin & Associates is an active and contributing member of our community and the communities we serve, with team members involved in numerous not-for-profit organizations as board members, advisors, officers, and volunteers. We have been longtime supporters of not-for-profit organizations and initiatives, constantly encouraging our team members, customers, and colleagues to do their part to give back and help others. Crosslin & Associates was honored to receive the 2013 and 2014 Corporate Giving Award (dollars and volunteer hours) from the *Nashville Business Journal* recognizing our commitment to serving our community.

An independent member of the BDO Alliance, Crosslin provides business assurance, tax, and advisory services to organizations in a myriad of industries, including governmental entities, not-for-profit, education, foundations, religious organizations, healthcare, major privately-owned businesses, professional services, manufacturing, and distribution. The BDO Alliance gives us access to hundreds of professionals, if needed. It is the same relationship as a national firm using staff from another city. Our professionals possess the depth of experience and capabilities necessary to deliver outstanding service on each and every engagement, regardless of its scope or complexity. Through our hands-on approach and commitment to superior customer service, Crosslin and its subsidiaries truly are “business solution providers.”



Overview of the Firm

BDO Alliance Relationship

Crosslin & Associates, P.C. is an independent member of the BDO Alliance USA, a national network of select accounting firms with direct ties to BDO, the world’s seventh largest international accounting firm. Membership in the Alliance gives us immediate access to the technical literature, customer services, training, technical expertise, research capability, and other resources of BDO and other Alliance members. Another advantage of our Alliance relationship is that we have the capability to obtain international firm opinions in a seamless fashion. The BDO Alliance networks more than 400 independently owned local and regional accounting and consulting, law, business consulting and technology firms.

As an Alliance member, Crosslin is able to provide customers with the best of both worlds - the depth and breadth of resources and expertise of a major global firm, and the reliable, personalized service that is the hallmark of an independent regional firm that knows and understands privately and publicly held companies.

Current Auditor Stats

	<u>Revenue</u>
Deloitte & Touche	\$13.89 billion
PricewaterhouseCoopers	\$11.04 billion
Ernst & Young	\$9.10 billion
BDO* Global Network	\$6.45 billion
KPMG	\$6.14 billion
McGladrey	\$1.37 billion
Grant Thornton	\$1.30 billion
Crowe Horwath	\$665 million
CliftonLarsonAllen	\$564 million
CohnReznick	\$508 million

Source: Revenue data from Accounting Today “2014 Top 100 Firms”. (Fiscal 2013)

* BDO Global Networks’s revenues, including Alliance members.



Overview of the Firm

How We Serve

Outstanding customer service. Our reputation depends on it.

Outstanding
(out-stăn'dĩng)

adj. Distinguished in excellence among others of its kind; superior

Distinguished. Superior. Excellent. There are countless ways to describe the service that accounting and consulting professionals should provide, but at Crosslin & Associates, we have our own word for it: outstanding. It describes what we are, what we offer, and what we strive to be.

From its inception, Crosslin & Associates has had one fundamental objective at the core of its operations: to provide outstanding service to our customers. On a daily basis, our team members carry out this service commitment according to our four cornerstone principles:

ACCOUNTABILITY – We structure our service approach around hands-on involvement by our principals, directors and managers, placing the responsibility for outstanding customer service at the highest levels of our firm.

CONSISTENCY – We are committed to ensuring the continuity of personnel assigned to each engagement. We strive to retain talented and knowledgeable professionals who are willing to make long-term commitments to the firm and to our customers.

OPPORTUNITY – Your accounting advisor must do more for you than simply complete the engagement. We actively search for ways to enhance your operations and to offer innovative ideas to expand your business opportunities. We want to be more than your accountant; we want to be your business solutions provider.

ACCESSIBILITY – Open lines of communication and regular meetings are essential to understanding your needs and expectations. Our accessibility and our technical expertise create a powerful combination that enables us to keep our promise of quality, innovation, and diligence.



Overview of the Firm

The Crosslin Team Commitment

In keeping with our pledge to deliver Outstanding Customer Service, we propose the following as guidelines for success:

OUR COMMITMENT TO YOU

We will respect the confidentiality of our working relationship.

We will act with integrity, honesty, and openness at all times.

We will assist you at the time of your call or will return your phone calls promptly.

We will meet agreed-upon deadlines.

We will alert you of any circumstances beyond our control that may interfere with the work in progress.

Our fees for any assignment will always be disclosed in advance.

YOUR COMMITMENT TO US

You will give us cooperation, responsiveness, and follow-through.

You will be accessible to us within the time frames upon which we have agreed.

You will give us all of the information we need to do our work in a timely manner.

You will be open, frank, and honest with us at all times.

You will let us know immediately of any concerns about our work together.

You agree to listen to any advice we offer. It is your decision whether the advice is implemented.



Overview of the Firm

Peer Review and Training

Crosslin's most recent peer review was completed in January, 2014. In this peer review, Crosslin received the highest mark possible: a passing opinion with no comments. This peer review included our governmental/not-for-profit (A-133) engagements. Only a small percentage of accounting firms in the country receive this rating. Crosslin has received this same rating for seven consecutive peer reviews.

The American Institute of Certified Public Accountants invited all CPA firms to join and comply with certain stringent practice requirements in order to provide the public with the highest level of assurance that such firms conducted quality practices. Because our firm maintains the following standards, Crosslin is a member in good standing:

- Each member of our professional staff receives at least 40 hours of continuing professional education each year. We have BDO, AICPA, and internal training classes available to our team members.
- Each member of our auditing team biannually receives at least 16 hours of education directly related to governmental/not-for-profit auditing (including A-133 training). This exceeds the requirement of the Yellow Book.
- The firm adheres to a strict system of quality control procedures by the Public Company Accounting Oversight Board ("PCAOB"), Employee Benefit Plan Audit Quality Center ("EBPAQC"), and the American Institute of Certified Public Accountants ("AICPA"). We are members of the Governmental Accounting Quality Center ("GAQC").

Crosslin has worked hard to continually develop the firm and our team members. We do, however, look for ways to continually improve the way we do business, and therefore, better serve our customers.

Our peer review letter follows.

Quality Reviews

There has never been a disciplinary action taken or pending against Crosslin & Associates, P.C. during our history with state regulatory bodies or professional organizations.



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
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P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

System Review Report

January 15, 2014

To the Principals of
Crosslin & Associates, P.C.
and the Peer Review Committee of the Tennessee Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Crosslin & Associates, P.C. (the firm) in effect for the year ended August 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Crosslin & Associates, P.C. in effect for the year ended August 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crosslin & Associates, P.C. has received a peer review rating of *pass*.

Jaynes, Reitmeier, Boyd & Therrell, P.C.



Structure of the Firm

Selecting an accounting and consulting firm is one of the most important business decisions a government entity has to make. You want and expect timely and accurate service, of course, but this is just the beginning. You want to develop a relationship with the firm with whom you choose to work. You must be able to trust in your firm, in your engagement team, and in the quality of work that the team provides. You need more than just someone to get the work done. You want to choose the one firm which will best address your interests and the interests of the citizens you serve.

Other accounting firms may offer services similar to ours, but Crosslin stands alone when it comes to relationships. To each customer we serve, we pledge a level of customer service you simply cannot receive from another firm. This pledge, combined with our firm structure, technology, personnel, and substantial experience with governmental audits, distinguishes us from other firms.

Staff Continuity and Lack of Turnover

Based upon historical experience, Crosslin has been successful at maintaining continuity of engagement personnel with our customers. We have worked hard to recruit and retain an unusually dedicated staff. Over the last three years, we have had 13% turnover in our firm compared to 20% plus in the accounting industry. Of those who have departed, a large number are now client executives.

A continuing goal of Crosslin is the development and maintenance of a long-term relationship. Therefore, the planning, execution, and supervision of our work is rendered by principals and managers who are expected to serve you over many years. Because of the high touch nature of our principals and managers in serving our customers, you can be assured you will be served by professionals who know you well, long into the future!

As you can see from the organizational chart on page 24, many members of our audit staff have been on the City's engagement for 4 years. This proves our commitment to continuity of quality professionals and proves that we will keep assigned individuals working on the City engagement as they are promoted to positions of higher responsibility within our firm. This continuity was our promise in 2011 which we have kept and plan to continue to keep throughout our continued relationship with the City.

Integration of New Staff

In addition to our commitment to the continuity of team members assigned to work on the City's engagement, we will also integrate new staff on the engagement so that we can seamlessly continue to build our firm's institutional knowledge of the City. As changes in engagement personnel cannot always be prevented, it is important that competent replacements are available so that there are no disruptions to your team or to the audit process. Due to our extensive involvement with similar organizations, we have a wealth of professionals available with the proper industry experience and training in order to provide you with quality service on an ongoing basis.



Structure of the Firm

Involvement of Principal-In-Charge

Crosslin was founded on the belief that exceptional service can and should be delivered on all levels. Our principals enjoy having frequent interaction with their customers and we are committed to maintaining this philosophy.

Principal-in-Charge, Dan Miller, will continue to be heavily involved with the City throughout the year and will visit the City premises on a regular basis. Crosslin's philosophy is to provide you with a business partner who is available year-round to assist you. In addition, the reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis.

Policy on Rotating Principals

Crosslin has experienced great success in building knowledgeable and well-versed teams for the City. By providing the City with the same senior leadership year after year, our team is familiar with the City's business operations, personnel, and the inner workings of the engagement. By growing this familiarity year after year, we are able to better serve you.

We have two principals intimately involved with the City engagement. By staffing in this manner, Crosslin will promote freshness on the account by suggesting a rotation of principal responsibilities on a cycle agreeable to, and at, the City's discretion. Therefore, all principals will remain on the engagement and retain history, but will periodically transfer assignments within the engagement to guarantee a fresh look at responsibilities.

Completion of the Audit Within the Required Timeframe

As the current auditors of the City, we begin planning for the next fiscal year's audit immediately after completing the fiscal year under audit. As soon as the interim financial statements are available, we begin audit procedures that ensure that we will meet the required timeframes for completion of all parts of the audit. In addition, we perform interim testing, which includes tests of controls, in order to finalize our planning, timing, and approach for the fiscal year under audit. This enables us to focus our time and resources on substantive testing during final fieldwork. Our team has proven that we can meet the required timeframe year after year.



Organization of Audit Staff and Assigned Audit Team

Organization of the Audit Staff

Certain experience of our Crosslin Audit Team includes the following:

<u>Name</u>	<u>Position</u>	<u>Years of Experience</u>
Dell Crosslin	Managing Principal	40+
David Hunt	Audit Principal	30
Angie Hoke	Audit Principal	20
John Crosslin	Audit Principal	17
Dan Miller	Audit Principal	14
Jennifer Manternach	Senior Audit Manager	15
Erica Saeger	Senior Audit Manager	9
Ben Nichols	Senior Audit Manager	7
Lisa Berg	Audit Supervisor	9
Damien Wynn	Audit Supervisor	6
		<u>167</u>

This chart demonstrates the depth of our team if ever a change in assignments became necessary.

“WOW!! The audit reports just arrived. We are blown away with how great they look! You have outdone our expectations several times over. Thank you so much. We are proud to hand out this report! Your humility and professionalism has been evident in all your work and is now evidenced once again in the report itself! THANK YOU!

Lynn Stokes
 Director of Audit
 City of Clarksville

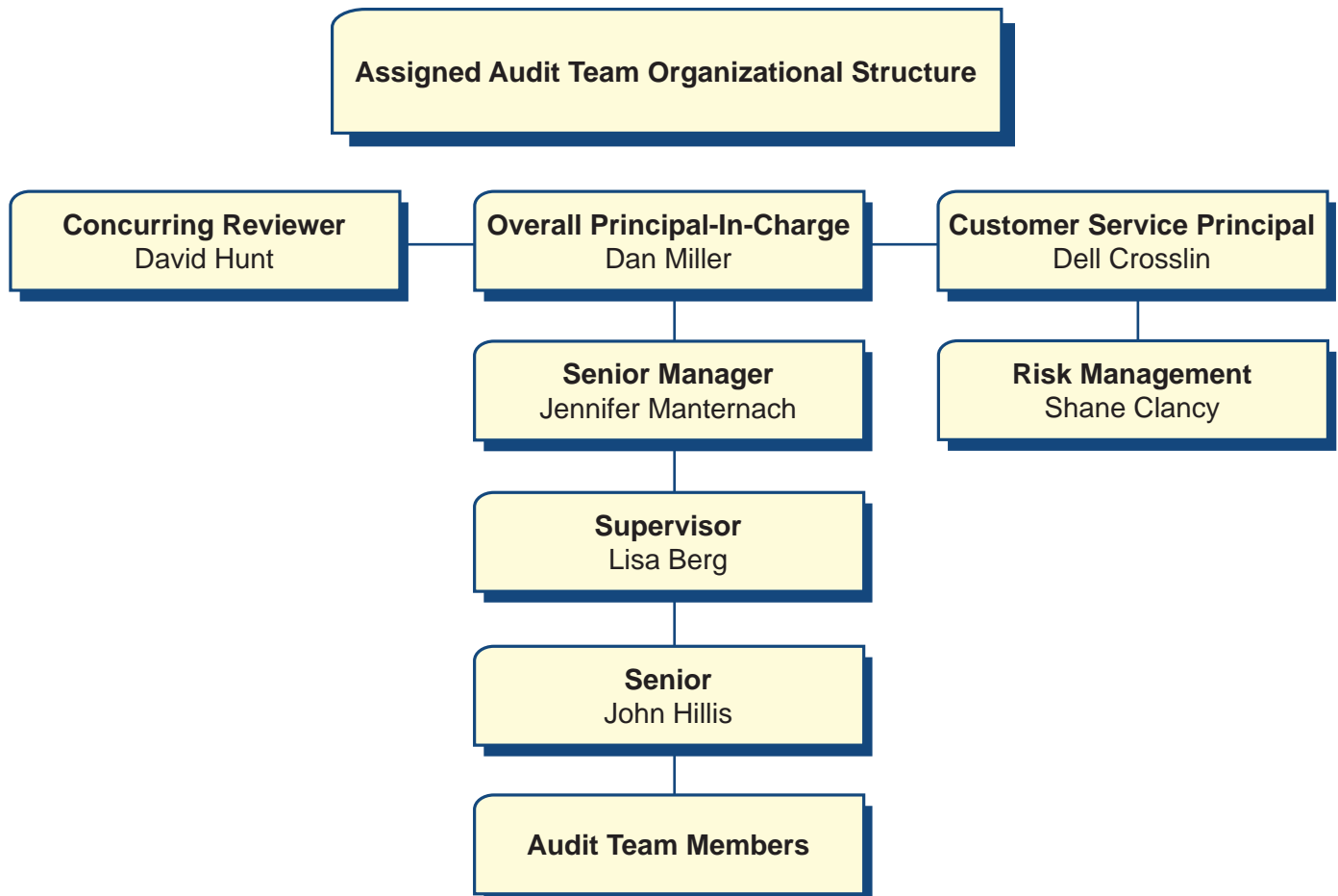


Organization of Audit Staff and Assigned Audit Team

Organization of the Assigned Audit Team

Our greatest strength is our people, and our firm was founded with the fundamental belief that we must deliver nothing less than outstanding customer service on each and every engagement. It is only through the dedication of our talented and knowledgeable team that we are able to maintain this service approach. We believe that there is simply no substitute for personal business relationships built on solid communication and timely interaction.

To that end, we have carefully selected the following team of professionals to serve the City. Each member of our customer service team has extensive experience with governmental entities, and OMB A-133 procedures. Each has received no less than 16 hours per year of continuing education focusing solely on governmental and A-133 audit procedures.





Qualifications of Staff

Daniel P. Miller, CPA **Audit Principal**

Dan has been with Crosslin for nearly 13 years after working at a Big Four firm in Pennsylvania. Dan has extensive experience on audit and consulting engagements in various industries including governments, not-for-profit, healthcare, manufacturing, construction, direct-selling, information technology, and financial services.

Dan has directed customer engagements including City of Franklin, The Metropolitan Government of Nashville and Davidson County's A-133 Single Audit, the Metropolitan Transit Authority, Metropolitan Nashville Airport Authority, City of Knoxville Pension System, City of Clarksville, Metropolitan Development and Housing Agency (prior), Southwestern/Great American, and Coreslab Structures.

Dan is particularly experienced with government and not-for-profit audits including all aspects of grant compliance and single audit testing. His experience involves auditing more than 25 different federal programs annually.

Dan serves on the firm's leadership team, conducts training for the audit team members and is actively involved in the firm's recruiting, technology and audit quality initiatives. He serves as Principal-in-Charge of Technical Matters for our audit practice. Dan is also in charge of the firm's Continuing Professional Education programs, including training goals, outside programs, and compliance. Dan completed the Nashville Young Leaders Council Program, and has joined the Board of the Imagination Library of Middle Tennessee. He has also served on the Finance Committee of Habitat for Humanity Young Professionals. Additionally, Dan has been recognized as a winner of the 2013 *Nashville Business Journal's* 40 under 40, which recognizes individuals under the age of 40 for their excellence in business and contributions to their communities in Middle Tennessee.



Education

Bachelor's Degree, Grove City College

Licenses & Certifications

CPA, Tennessee and Kentucky

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants

Other Activities

Board Member, Imagination Library of Middle Tennessee



Qualifications of Staff

David Hunt, CPA **Audit Principal**

David has been with Crosslin since its inception in 1987. David serves as Crosslin's Principal-In-Charge of governmental entities. His extensive experience includes audit, internal control consulting, mergers and acquisitions, and covers a wide variety of customers in fields including government, not-for-profit, manufacturing and distribution, healthcare, professional services, and hospitality. Customers served by David include the City of Franklin as concurring and technical reviewer, The Metropolitan Government of Nashville and Davidson County, the City of Knoxville, the City of White House, Murfreesboro City Schools, Harpeth Valley Utilities District (prior), University of the South (prior), Meharry Medical College, Union University, Carson-Newman University, Fisk University, and Coreslab holdings, Inc.

David is a Certified Public Accountant licensed in Tennessee and Kentucky, and is a member of the American Institute of Certified Public Accountants and the Tennessee Society of Certified Public Accountants. He oversees the firm's employee mentoring program, is active in community affairs, and has also served as a board member and Treasurer for the Middle Tennessee Chapter of the American Diabetes Association. David graduated cum laude from Trevecca University in Nashville, Tennessee with a dual major in accounting and business administration.



Education

Bachelor's Degree, Trevecca University

Licenses & Certifications

CPA, Tennessee and Kentucky

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Qualifications of Staff

J. Dell Crosslin, CPA, CFE **Managing Principal**

With more than 40 years of experience in accounting, auditing and consulting, Dell has served as a business advisor to governments, not-for-profits, healthcare, religious organizations, manufacturing and construction, real estate, and various other public and private entities. Dell has guided these various industries in numerous areas including audits, strategic planning, fraud examination, forensic accounting, information technology studies, and development of financial statement packages.

Having worked as both a private and public accountant, Dell's experience includes a tenure in the insurance industry, as well as a partnership with a Big Four Firm. In 1987, Dell and three other CPAs created what is today, Crosslin & Associates, a premier regional public accounting firm.

Under the Crosslin banner, customers served by Dell include the Cities of Franklin, Knoxville, Clarksville, and White House, The Metropolitan Government of Nashville and Davidson County, Metropolitan Transit Authority, Metropolitan Nashville Airport Authority, Nashville Electric Service (prior), Harpeth Valley Utilities (prior), Meharry Medical College, Fisk University, Bethel University, Carson-Newman University, and Coreslab Holdings, Inc.

Dell has been named to the InCharge in Banking and Finance list for 2011, 2012, 2013, and 2014 by the *Nashville Post* as well as one of Accounting's Finest 2012 by the same publication. He was named to the InCharge Healthcare 2012, 2013, and 2014 list by the *Nashville Medical News* and recognized as a Power Leader in Accounting 2012 by the *Nashville Business Journal*. Dell has previously served as a board member for Catholic Charities of Tennessee and currently serves on the Board of St. Thomas Health Services in Nashville, TN serving as chairman of the Audit Committee and as a member of the Finance Committee.



Education

Bachelor's Degree, Peabody College of Vanderbilt University

Licenses & Certifications

CPA, Tennessee and Kentucky

Certified Fraud Examiner

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants

Other Activities

Board Member, St. Thomas Health Services

Former Board Member, Catholic Charities of Tennessee



Qualifications of Staff

Shane W. Clancy, CISSP, GCIH, GCFA, GWAPT, PCI DSS QSA Principal

As Principal for Crosslin Technologies, a sister company of Crosslin & Associates, Shane provides a broad range of information security, risk management, and compliance validation services to governmental, health care, not-for-profits, financial, retail, higher education, and manufacturing organizations. His experience includes performing providing security compliance assessments to governmental, not-for-profit, and healthcare entities. Shane coordinates incident response and contingency plans for companies that have experienced data breaches. He also works with customers to develop preventive measures and assists with implementation of these security processes. Additionally, Shane has experience with responding to and participating in fraud and forensic investigations that warrant IT forensic activity and third party chain of custody support for litigation matters.

He builds upon over two decades of success in both the management of information security programs and the technical implementation and evaluation of information security technologies to ensure that his customers' immediate needs and strategic goals are met in the most efficient manner possible. Prior to joining Crosslin Technologies, Shane served as the Director of Federal Risk Management at Securion, LLC.

As the Director of Securion's Federal Risk Management Practice, Shane was responsible for ensuring that his federal customer base addressed information security risks and compliance matters. He has assisted multiple federal agencies in the elimination of both risk and inefficient information security business practices, which dramatically improved their ability to handle increasing workloads and evolving threat vectors. His approach to proactive risk management assisted large federal agencies within the departments of Justice, Homeland Security, Transportation and Defense in achieving and sustaining their information security goals.

Shane holds the Global Information Assurance Certification (GIAC) and has served as the technical representative from the Federal Bureau of Investigation to the Director of National Intelligence. Shane has authored works on malicious code, security engineering, and government policy and codes in three languages.

Shane has performed IT assessments for such organizations as the City of Franklin, The Metropolitan Government of Nashville and Davidson County, the City of Knoxville, the City of Clarksville, Martin Methodist College, Meharry Medical College, Southwestern Company, and CDE Lightband (CDE Power Board of Clarksville and Clarksville Department of Electricity).



Education

Bachelor of Science in
Computer Information
Systems, Strayer University

Licenses & Certifications

GIAC Incident Handling and
Advanced Hacker Techniques
(GCIH)

GIAC Forensic Analyst (GCFA)

GIAC Web Application
Penetration Tester (GWAPT)

Certified Information Systems
Security Professional (CISSP)

Payment Card Industry Data
Security Standard Qualified
Security Assessor (PCI DSS
QSA)



Qualifications of Staff

Jennifer Manternach, CPA **Senior Audit Manager**

Jennifer had more than ten years of both public and private accounting prior to joining Crosslin & Associates in 2011. She is well versed in both audit and tax for governmental, not-for-profit, educational, religious organizations, and privately-owned organizations, as well as for health care organizations which were comprised of several hundred medical sites and pharmacies. Other industries served by Jennifer include manufacturing, privately owned businesses, and education. Jennifer also monitored internal controls and SOX compliance for several businesses.

Customers presently served by Jennifer include the City of Franklin, the Metropolitan Government of Nashville and Davidson County, Tennessee, the City of Knoxville, Tennessee, Murfreesboro City Schools, Fisk University, Meharry Medical College, Carson Newman University, the Tennessee Baptist Adult Homes, STEM Academy, KIPP Academy Nashville, Smithson Craighead Academy, Project Reflect, Inc., St. Thomas Health Services, Conference Center at Cool Springs, and Delek (formerly Mapco).



Education

Bachelor's Degree, Luther College

Licenses & Certifications

CPA, Tennessee and Illinois

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Qualifications of Staff

Lisa Berg **Audit Supervisor**

Lisa has been with Crosslin & Associates for five years. She is well versed in auditing numerous industries within the public accounting sector including governments, religious organizations, not-for-profits, educational institutions, and construction.

Customers served by Lisa include the City of Knoxville, Tennessee, The Metropolitan Government of Nashville and Davidson County, Tennessee, The Roman Catholic Diocese of Nashville, The United Methodist Foundation of the Kentucky Annual Conference, Union University, Fisk University, Safe Haven Family Shelter, and O'More College of Design.

Lisa is a member of the Westminster Presbyterian Church where she coaches the girls basketball team. She is also a member of the Junior League of Nashville and previously served as a corporate Board Member of the YMCA of Rutherford County for three years.



Education

Bachelor's Degree, Trevecca Nazarene University

Professional Associations

Member, Tennessee Society of Certified Public Accountants

Member, American Institute of Certified Public Accountants



Scope of Services

Philosophy and Understanding of Scope of Services

Our audit philosophy involves extensive principal and manager involvement in all aspects of each engagement, from the planning stages to the execution and reporting phases of the audit. For the City engagement, **principal and manager time will be more than 40% of total hours.** This assures that the key members of your customer service team will be accessible to the City's management essentially on a full-time basis, resolving issues and providing answers and ideas that meet your needs, as they arise.

We believe there are several critical elements that contribute to the success of any engagement. These include proper planning and organization, as well as communication and coordination between our firm and the customer. We will meet with the appropriate management personnel during all phases of the audit engagement and will hold progress meetings throughout the course of the audit.

Our practice is to address all known key accounting and reporting issues, which could affect the conduct of the audit and our audit opinion, in the planning stages of the engagement. This serves to reduce the "surprise" element to the lowest level possible. When issues do arise, it has been our experience that timely and prompt resolution of the issues is essential to meeting the objectives of the audit and to customer satisfaction. This approach results in positive working relationships between our firm and our customers. It also helps us to achieve an efficient and effective audit, enabling us to keep fees at favorable levels.

A description of the nature and scope of services and deliverables required by the City for the year ending June 30, 2015, is as follows:

- We will perform a financial audit and express our opinion on the City's basic financial statements, including the governmental activities, business type activities, each major fund and the aggregate remaining fund information, and the budgetary comparison schedule of the General Fund of the City of Franklin.
- We will subject additional information included in the CAFR, such as Management's Discussion and Analysis, Required Supplemental Information, Schedules, and Statistical Information, to the appropriate limited procedures necessary for reference in our audit opinion.



Scope of Services

Philosophy and Understanding of Scope of Services

- Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We also will audit the compliance of the City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 that are applicable to each of its major federal programs. Based on our audits we will:
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
 - Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Commitment to Serving the Government Sector

As evidenced by our serving as auditors and business advisors for Cities of Franklin, Knoxville, Clarksville, and White House, Tennessee, the Metropolitan Government of Nashville and Davidson County, Metropolitan Nashville Airport Authority, Metropolitan Transit Authority, Murfreesboro City Schools, and other entities noted in this proposal, we are committed to serving the government sector. Given the size and complexity of the City's financial operations, it is paramount that you select a team that is committed to the City and the government sector. Additionally, we are local to the City considering that several of our team members live in or near the City. Our proposed team demonstrates that we can deliver national firm quality at a more economical cost to the City.

Our proposed team represents local professionals dedicated to superior service and a commitment of resources to accomplish the RFP requirements on a timely basis.

No other Firm, including other regional or national firms, can provide a more qualified or experienced team to serve the City.



Audit Approach

Through our deep experience in serving governments large, small, and in between, we have developed and tailored a specific and comprehensive audit approach. Our approach is based on the structure of the BDO governmental audit approach which is used for the audit of the Metropolitan Government of Nashville and Davidson County and Washington, D.C., among others. Our risk-based approach appropriately addresses the requirements of U. S. generally accepted auditing standards (including AICPA Risk Assessment Standards), as well as the standards applicable to financial audits contained in *Government Auditing Standards*, as issued by the Comptroller General of the United States, and the compliance requirements described in OMB Circular A-133. The approach entails an analysis of business and audit risks that lead to a focused audit effort and has also been designed to address risk, and those matters which we believe will be of particular importance to management, the Budget & Finance Committee, Board of Mayor and Aldermen, and the citizens of the City of Franklin. We will continue to leverage our experience base and will build upon our deep understanding of governments and their trends in the perpetual development of our audit approach for the future. As conditions change, we will continue to enhance our understanding of critical business and audit areas through comprehensive audit planning and risk assessment.

Throughout the audit process, we gain knowledge which, combined with our governmental experience and expertise, provides us with a unique insight into the City's operations. It also provides us with opportunities for identifying improvements, not only with respect to accounting and information systems, but also regarding broader and often more significant areas such as organizational structure and financial planning. Our government experience allows us to also be a resource for the City and provide specific suggestions and industry advice. Our approach is designed not only to satisfy professional auditing standards, but also to add value and meet the needs of the City of Franklin.

We developed our audit approach based on BDO's approach and our experience auditing governments and governmental entities over many years. The key element in performing a successful audit is to have knowledgeable professionals who know the industry and business environment. In order to perform the audit timely and meet or precede your deadlines, we will work closely with your staff while planning the engagement.

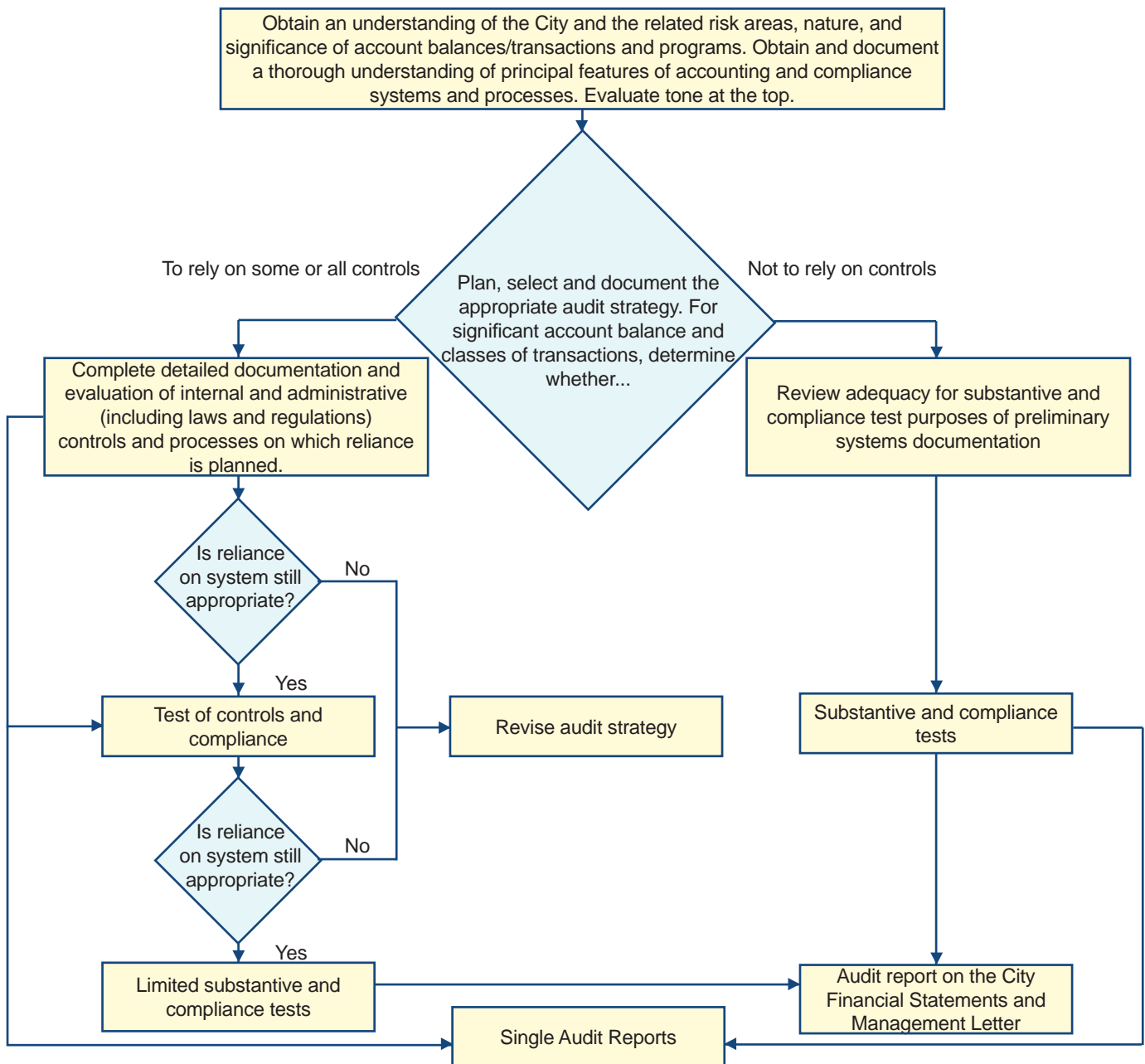
We believe that the audit approach is appropriate, comprehensive, and specifically tailored to the City and its mission.



Audit Approach

There are four integral components to the City’s audit: the financial statement audit; the OMB Circular A-133 “Single Audit”; the consideration of compliance with laws and regulations; the reporting and communication of the results of our audit and quality assurance.

The following is a graphical summary of our audit approach for the City:





Audit Approach

FINANCIAL STATEMENT AUDIT

Financial Statement Audit Planning and Risk Assessment

Our audit planning emphasizes risk assessment in terms of financial statement assertions and the design of audit tests that are responsive to the identified risks. This process takes place in the following steps:

- Building on our understanding of the City's operations, relationships, and services
- Identifying and assessing external and internal business risks and their possible impact on the City's financial statements
- Identifying key financial statement assertions related to significant account balances, classes of transactions and estimates
- Assessing the specific risks that pertain to key financial statement assertions, and the risk of material misstatement and non-compliance due to fraud
- Developing auditing procedures designed to respond specifically to the identified risks.

Understanding of the City's Operations

Our firm places significant emphasis on understanding our customer, its operations, and the impact on our audit. The key element of effective audit planning is our thorough understanding of all of the City's operations. This includes operating environment, accounting, and internal accounting control structure, and financial position. Our years of experience with governments will help us quickly capture the relevant information to develop a detailed understanding of these elements. Therefore, we can effectively assess risk, identify the nature of significant account balances/transaction classes, and design efficient and effective audit tests and procedures.

Business Risks

The identification, evaluation and management of business risks that may affect the operations of the City and impact its financial statements is essential to the fulfillment of its mission. We will identify and test the systems and processes that the City has in place to manage these risks.



Audit Approach

FINANCIAL STATEMENT AUDIT (continued)

Financial Statement Assertions

Audit planning also must assess risk in relation to financial statement assertions. As your auditors, we will gather sufficient, appropriate audit evidence to provide a reasonable basis for expressing our opinions about these assertions embodied in your basic financial statements. The nature of audit evidence that we require (i.e., direct or indirect) depends upon the nature and importance of the assertion. We will gain an understanding of the attributes and internal controls over financial reporting and will test the significant controls and their effectiveness. Direct substantive tests will be performed for certain significant financial statement assertions (i.e., those assertions which, due to their nature, are likely to be important to users of the financial statements). The nature and design of those substantive tests will vary and depend on the results of process and control testing.

Audit Risk

Risk assessment is the essential element in the audit planning process. When a reliable risk profile is developed and appropriate risk-assessment decisions are made in the initial planning process, the amount of testing can be correlated with each audit area's relative risk. The result: a more focused, efficient, and effective audit.

Audit risk is a function of the risk that the financial statements prepared by management are materially misstated and the risk that the auditor will not detect such material misstatement.

For individual accounts or classes of transactions, audit risk is a combination of: (1) the risk that the balance or class contains errors that, when aggregated with errors in other balances or classes, could be material to the financial statements, and (2) the risk that any such errors that occur will not be detected by the auditor.

We consider risk in our internal controls assessment and testing and in selecting particular substantive tests to achieve our audit objectives. We are acutely interested in limiting overall audit risk to an acceptable level. The nature, timing, and extent of our auditing procedures will be correlated with our assessment of risk. The extent of our substantive audit tests will be directly related to our assessment of risk prior to performing such tests.

Our audit approach classifies the risk of error into two categories - high risk and normal risk - and identifies factors that affect assessment of the risk or error. These factors can be classified into two broad groups: overall risk factors and risk factors specific to account balances or classes of transactions, which include the related internal accounting controls, the nature of the transaction(s) and any errors found in the past.



Audit Approach

FINANCIAL STATEMENT AUDIT (continued)

Audit Risk (continued)

Crosslin & Associates has assembled a dynamic team of professionals in our Information Technology (IT) department led by Shane Clancy, IT Assurance Principal. As part of our risk assessment, we will evaluate the City's electronic data processing (EDP) environment in accordance with *Government Auditing Standards* and AICPA guidelines. The objectives of these reviews are to (1) obtain an understanding of relevant systems controls to identify areas that could pose potential auditing risks, (2) determine whether sufficient controls are in place to protect the integrity and reliability of financial data, (3) determine the capability of the core financial management system in carrying out financial data processing, and (4) test the systems controls for the core financial management information systems.

Response to Audit Risk

We will tailor our specific auditing procedures for the City to correspond with the significance of the financial statement assertions and our assessed levels of risk. If processes and controls are determined through testing to be effective and operating properly, analytical review procedures may provide the required assurance regarding many financial statements assertions; however, tests of details are necessary for some assertions in order to limit audit risk to acceptable levels.

We plan to gain an understanding of, and test through sampling, internal controls for the following processes:

- Risk assessment
- Monthly and annual financial reporting
- Information technology and security
- Manual journal entries
- Investments
- Bank reconciliations
- Cash receipts
- Revenue recognition, especially with respect to property taxes, state shared taxes, and grants
- Cash disbursements, including payroll and budgeting
- Expenditure/expense recognition
- Capital assets



Audit Approach

FINANCIAL STATEMENT AUDIT (continued)

Response to Audit Risk (continued)

In addition, we will perform detailed testing including, but not limited to, inspecting original source documents, sending confirmations, etc., for certain significant accounts and transaction classes that extend across several opinion units, as follows:

- Cash, cash equivalents, and investments
- Capital assets
- Long-term debt
- Tax revenues
- Grant revenues

Assuming the results of our testing noted above support our preliminary risk assessments, we will augment testing with limited additional procedures consisting of analytical review and other procedures for the respective opinion units to satisfy ourselves that the risk of material misstatement and non-compliance is at an appropriately low level for us to render our opinions.

Performing Work on Related Areas Together

Performing work on related audit areas together results in significant efficiencies. Identifying systems and processes where this can be done is, therefore, is an important part of our audit planning. Having members of the engagement team performing all related work together reduces the time learning the City's systems and gives us a more complete and cohesive understanding of the City's transactions and processes.

Computer Assisted Audit Techniques

We apply computer-assisted audit techniques on most engagements and expect to do so on the City engagement. These techniques minimize manual-effort in the audit process for both the auditors and the customer. We have the capability to electronically transfer data from a customer's system, permitting us to perform audit procedures more effectively and efficiently. We use several software packages, most notably CaseWare, Thomson PPC CheckPoint and related products.



Audit Approach

SINGLE AUDIT APPROACH (A-133)

The City’s functions are partially funded through various federal award programs. Accordingly, an important part of our audit approach focuses on the internal controls and compliance with the requirements of these programs.

The Office of Management and Budget (OMB) Circular A-133 requires the auditor to use a risk-based approach to determine which federal programs are major programs. Our risk-based approach includes consideration of current and prior audit experience and results, oversight by federal agencies, and pass-through agencies and the inherent risks of the federal programs. The risk-based approach is designed to focus the Single Audit on higher-risk programs (major programs).

Our firm specializes in A-133 audits. We invest significant time training and learning grant programs. We perform numerous A-133 audits on an annual basis, covering more than one-half billion dollars in federal awards. Additionally, we have experience in auditing many of the programs historically determined as major programs for the City. We understand the purpose, complexities, and requirements of the programs.

Through our membership and participation in the AICPA's Governmental Audit Quality Center and our experience, we believe that we are uniquely qualified to analyze the requirements of the programs and to test them appropriately.

The OMB has issued the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule,” which will significantly change administration and auditing of federal programs in the near future. The Rule replaces A-133 and various other OMB Circulars. We will work with management to ensure appropriate implementation.

“The principals and staff at Crosslin & Associates are always professional and easy to work with during our annual audits. They are also sensitive to their clients’ needs... They have vast knowledge of accounting rules and pronouncements across several industries.”

Edward Oliphant
Chief Financial Officer
Nashville Metropolitan Transit Authority



Audit Approach

SINGLE AUDIT APPROACH (A-133) (continued)

The City will qualify as a low-risk auditee for fiscal 2015, and accordingly, we will test federal major program expenditures to achieve a minimum of 25% coverage of total federal expenditures. To smooth the effects of major program expenditures on our audit procedures, we establish for each customer a detailed plan that ensures testing of each Type A program at least once every three years, while avoiding significant spikes in the quantity of major programs tested in a single year. Based on your prior year CAFR, we performed preliminary assessments of risk for the City's federal programs based in part on historical testing and findings, as well as materiality, both qualitatively and quantitatively, and complexity. We anticipate that the following, at a minimum, will be tested as major programs over the next three years:

- DOT Highway Planning and Construction Cluster
- DOT Federal Transit Cluster
- Community Development Block Grant

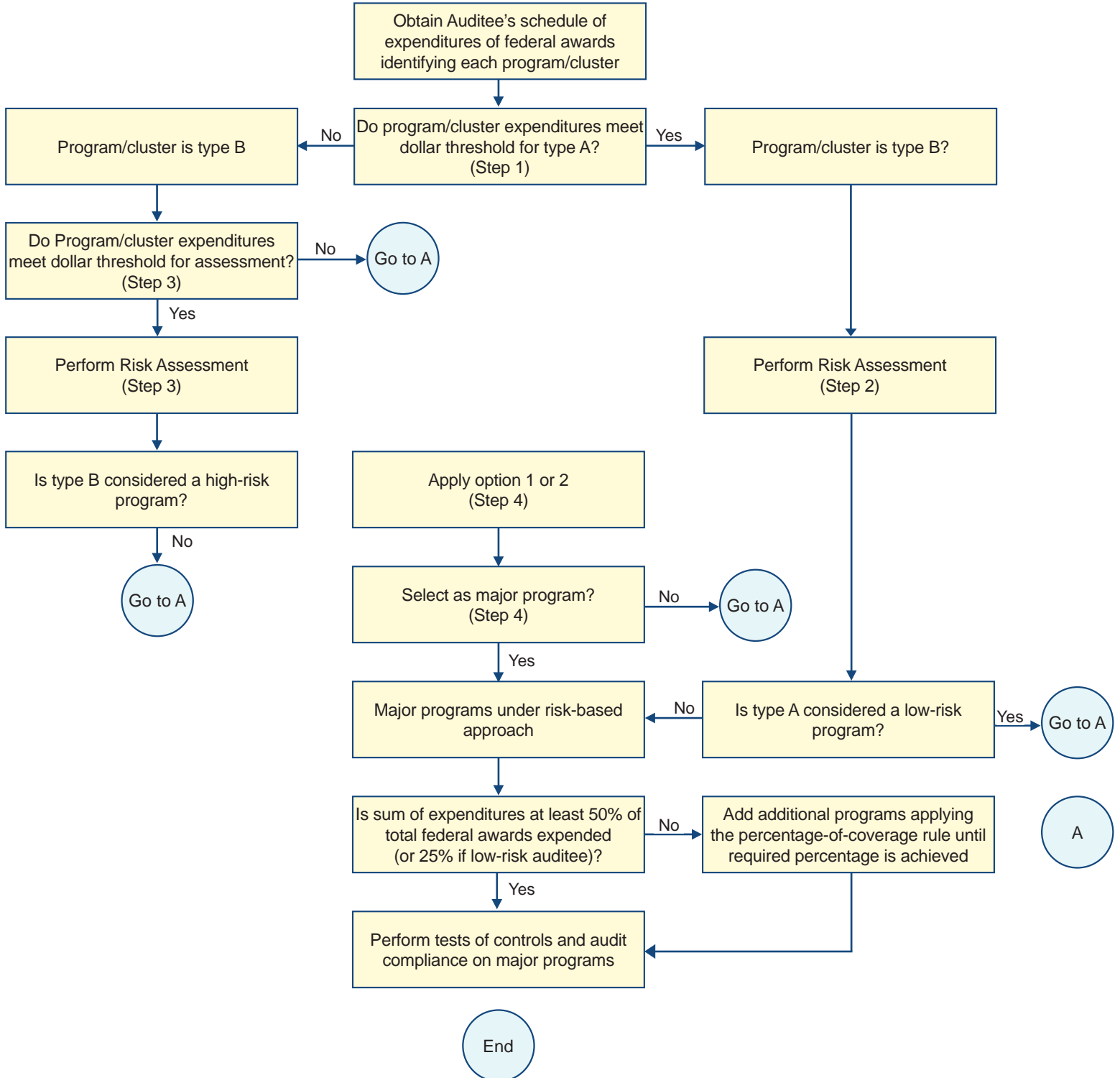
The above selections are anticipated, and actual selections may change depending on actual program expenditures and results of audit procedures from previous years.

The flowchart on the following page illustrates the application of our risk-based approach for determining major programs for testing. In addition, we have included detailed procedures relating to the Single Audit approach.



Audit Approach

SINGLE AUDIT APPROACH (A-133) (continued)





Audit Approach

SINGLE AUDIT APPROACH (A-133) (continued)

A summary of our audit procedures with respect to Single Audit compliance testing follows:

1. Planning

- Obtain a listing of all federal program expenditures and identify major programs for testing (capital and operating grants) through application of the risk-based audit approach for federal programs
- Review contracts, agreements and the OMB Circular A-133 *Compliance Supplement* to determine appropriate compliance requirements to test
- Arrange preliminary meeting with grant/program coordinators and various staff to discuss audit process and communicate our needs
- If necessary, discuss audit procedures and any special concerns with the respective federal awarding agencies
- Obtain an understanding of monitoring system for assistance programs.

2. System Understanding and Documentation

- Rely to the extent possible on information and testing obtained in the planning for the financial statement audit
- Identify administrative controls to address program requirements
- Obtain an understanding of the financial program reporting system
- Evaluate and test the five COSO elements of controls for major programs. It is our approach to perform both internal control and program compliance tests utilizing the same sample of transactions (dual purpose testing).



Audit Approach

SINGLE AUDIT APPROACH (A-133) (continued)

A summary of our audit procedures with respect to Single Audit compliance testing follows:
(continued)

3. Detailed Testing

- Test a representative sample of transactions from major programs for propriety and compliance with laws, regulations, contracts, grants and specific program requirements
- Conduct compliance tests to verify administrative controls work effectively and as documented
- Review regulatory reporting
- Draft reports of findings, if any, and discuss with program coordinators and City management
- Perform two principal reviews of workpapers and reports
- Include appropriate reports on internal controls and compliance in the City's Single Audit reports and report to the Budget & Finance Committee.

"We are a very satisfied client of Crosslin & Associates. We have found the staff to be very knowledgeable and professional in all aspects of their accounting services. Our audited financial statements are prepared on a very timely basis along with various other tax reports/returns completed during the year. More importantly, as we have learned, is the character and integrity of Crosslin & Associates who earned the trust and respect of our senior management and our Board of Directors."

Jocelyn Briddell, Executive Director
Scarritt-Bennett Center, Nashville, TN



Audit Approach

COMPLIANCE WITH LAWS AND REGULATIONS

An important element of an audit performed in accordance with *Government Auditing Standards* is consideration of the City's compliance with laws and regulations. Our audit approach to determine the laws and regulations that will be subject to our testwork includes a thorough understanding and application of the following:

1. Specific Audit Program - Laws and Regulations:

We will complete our specific audit program designed to identify the laws and regulations with which the City must comply, as well as test the compliance.

2. Provisions and Regulations of Grant Agreements:

We will test the City's compliance with laws and regulations relating to grant programs in conjunction with our A-133 testing.

3. State Laws and Regulations:

We will review and test laws and regulations of the State of Tennessee as detailed within the comprehensive State Department of Audit "Audit Manual," issued by the Comptroller of the Treasury. Specifically, the Audit Manual identifies procedures to be performed relating to significant fraud risk areas for local governments.

The results of testing the City's compliance with laws and regulations will be addressed in our reports to management and the Budget & Finance Committee.



Audit Approach

REPORTING, COMMUNICATION AND QUALITY ASSURANCE

Communication is an essential part of an effective audit. As your business partner, we want to interact with you as much as possible, not only during the audit, but throughout the year as well. During the course of the audit, we will meet with appropriate financial management personnel to provide a status of the audit engagement. The status reports will address the progress of our procedures, any problems encountered, open items, and any other issues we believe need to be brought to the attention of management.

Our firm policies require two principal reviews of audit workpapers and financial statements. In addition, detailed timely audit workpaper and quality control reviews are conducted at appropriate levels throughout the course of the audit. We believe that our approach to continuous communication and our quality assurance and reporting procedures will assure timely completion and performance in accordance with the requirements of the City.

A summary of the reporting, communication and quality assurance steps is as follows:

- Review the City's CAFR and prepare internal control and compliance reports and Management Letter
- Final detail and quality control reviews
- Exit conference preparation and attendance
- Finalization of reports and letters
- Presentation of reports to the Budget & Finance Committee and/or the Board of Mayor and Aldermen as requested
- Review of the Data Collection Form and required reports for submission to the Federal Audit Clearinghouse
- Interface throughout the year to address questions and issues as they arise
- Submit reports to the State of Tennessee Comptroller Office and Federal Clearinghouse



Audit Approach

REPORTING, COMMUNICATION AND QUALITY ASSURANCE (continued)

We will communicate any significant deficiencies and material weaknesses found during the audit. Other control deficiencies will be reported in a separate letter to management referred to in the report on internal controls. Any indications of fraud will immediately be communicated in a written report to the appropriate levels of management, the cognizant agent for federal reporting, and the State of Tennessee Comptroller of the Treasury.

Additionally, we will communicate with management and the Budget & Finance Committee as required by professional standards and as necessary to fulfill our requirements and assure they are informed of each of the following:

- The auditors' responsibility under U.S. generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133
- Management's responsibility for the CAFR and financial disclosures
- Significant accounting policies and financial statement disclosures, including implementation of new pronouncements
- Management judgments and accounting estimates
- Consideration of the internal control structure
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Comments on quality of accounting principals and disclosures
- Disagreements with management
- Management representations
- Management consultations with other independent accountants
- Review of other information
- Major issues discussed with management prior to retention
- Other information in documents containing audited financial statements
- Any instances of fraud encountered during the audit
- Upcoming accounting or auditing pronouncements



Audit Approach

Potential Audit Issues

Although we do not anticipate any significant, unusual audit issues at this time, several accounting pronouncements and new compliance requirements apply to the City in the relative near term. Following is a list of items that, to the extent material, that will be items to consider during our audit:

- GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* - this Statement improves accounting and financial reporting by state and local governments for pensions. This pronouncement is effective in fiscal 2015 and is a significant statement which will greatly impact accounting and financial reporting for pensions by governmental employees. We know your pension plan and will ensure appropriate implementation of this standard.
- GASB Statement No. 69 - *Government Operations and Disposals of Government Operations* - this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This pronouncement is effective in fiscal 2015.
- GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* - this Statement improves accounting and financial reporting by state and local governments for pensions by addressing an issue in GASB Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that statement. This pronouncement is effective in fiscal 2015.
- The OMB has issued the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule,” which will significantly change administration and auditing of federal programs in the near future. The Rule replaces A-133 and various other OMB Circulars. We will work with management to ensure appropriate implementation.

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin & Associates is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA’s Government Audit Quality Center and the Government Finance Officers Association (GFOA), including GFOA’s Special Review Committee. We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the City’s personnel in relevant discussions to implement all new standards as they arise.



Audit Timing

Timeline

We have performed the City’s audit timely and will continue to do so. We are fully committed and able to perform the audit within your timeline. All audit activities will be performed in accordance with the deadlines described in the Request for Proposal. The following chart illustrates the timing of our audit activities for the year ending June 30, 2015. A similar schedule will be developed for the subsequent years’ audits.

AUDIT TIMELINE		Upon Selection	June	August	September	October	November	December
Planning and Interim Procedures	Entrance conference with Management and meet with the Budget & Finance Committee	■						
	Financial Audit Planning and Internal Control Documentation		■					
	Conduct Internal Control and Process Testwork		■					
	Single Audit OMB Circular A-133 Planning and Testwork		■	■				
Year-End Fieldwork	Update Planning from Interim			■	■			
	Year-End Audit Fieldwork Including Substantive Procedures				■	■		
	Update Management throughout the Audit regarding progress and any adjustments and findings	■	■	■	■	■	■	
Reporting	Provide drafts of any findings, related recommendations, and Management Letter						■	
	Provide preliminary comments on Draft Financial and Notes (CAFR)						■	
	Issue final Financial Statements (CAFR)							■
Communication	Communicate to the Budget & Finance Committee the results of the Audit, Management Letter, and other matters							■
Other	Complete Review of the Data Collection Form to be submitted to the Federal Audit Clearinghouse							■



Audit Timing

Timeline

We are sensitive to the mandate with which the City must comply regarding the issuance of the CAFR. Therefore, we commit to this schedule for completion of each segment of the audit within the timeline presented below:

Planning and Interim Procedures – June

- Entrance conferences with the management and the Budget & Finance Committee to discuss audit planning, timeline and performance schedule, accounting and reporting issues. Establish a schedule of progress conferences with management
- Review workpapers and prior year reports. Consider current year changes needed due to recent technical pronouncements and management's needs
- Consider impact of recent technical pronouncements
- Perform analytical review procedures related to interim financial information
- Identify and document significant business and accounting processes, accounting cycles and applications and the related internal controls over these areas
- Follow up on the status of implementation of prior year's recommendations contained in the CAFR and management letter
- Meet with key members of your information technology and business applications management to identify and review general and application controls
- Craft the audit management plan and detailed audit plan including development of specific audit programs
- Obtain and review permanent file information, and BOMA and Committee minutes and prepare lists of audit schedules to be prepared by City personnel
- Prepare confirmations and correspondence and conduct fraud inquiry meetings
- Determine major programs, document and conduct internal control and compliance testing for A-133 Single Audit
- Conduct test work on internal controls over the accounting processes, cycles and applications of the audit segments



Audit Timing

Timeline

Progress Conferences – *To be held throughout the audit process*

Year-End Fieldwork – *September and October*

- Conduct substantive procedures for the audit segments based on results of our internal control testing and in accordance with our audit plan
- Obtain and apply planned procedures to actuarial valuations for pension plans

Reporting – *November and December*

- Provide drafts of any findings, related recommendations and management letter
- Provide preliminary comments on draft financial statements and work with management to finalize CAFR
- Issue draft financial statements for BOMA review

Communication – *December, Exact date to be determined*

- Communicate to the Budget & Finance Committee the results of the audit, management letter and other matters
- Issue final financial statements upon approval from BOMA

Other – *December*

- Complete review of Data Collection Form to be submitted to the Federal Audit Clearinghouse



Assistance of City Staff and Availability of the Auditor

Assistance of City Staff

We understand that information in support of the audit will be prepared and available for our audit teams upon our arrival for fieldwork. We value the importance of the City Finance team and their time. We assure you that we will make maximum utilization of the resources and information that is available in planning the timing and extent of our audit procedures. We have worked well together and promise to in the future.

Availability of the Auditor

Crosslin believes that continuous and candid communication is the key to a successful service engagement. We will meet with your financial leadership frequently beginning with our engagement planning immediately upon our re-appointment. While audit fieldwork is in process at interim and at final, we suggest status meetings no less frequently than every two weeks to inform you of our audit progress. We will make management aware of problem situations immediately. We are part of the solution, not the issue.

Our mutual goal should be to avoid problems and surprises to the extent possible. The best way to accomplish this is to develop a free flow of communication in both directions. As we have proven throughout our tenure, we are available to meet with you whenever a need may arise. We encourage the staff to contact us with issues and/or questions as soon as they come up so that we can address them immediately, which will help avoid problems and situations and keep the audit process moving towards completion.



Customer References

One of the best ways to evaluate the quality and responsiveness of our service is to speak with our customers. Following are a few customers whom we encourage you to contact.

Ms. Lynn Stokes*

Internal Audit Director

or

Ms. Laurie Matta

Chief Financial Officer

City of Clarksville, Tennessee

One Public Square, Suite 300

Clarksville, Tennessee 37040

931.648.6106

lynn.stokes@cityofclarksville.com

Audited Financial Statements (A-133)

2013 - Present

Ms. Kristi Paczkowski*

Executive Director

Knoxville Pension Board

917 E. Fifth Street

Knoxville, Tennessee 37917

865.215.1444

kristip@knoxvillepensionboard.org

Audited Pension Plan

2014 - Present

Ms. Kim McDoniel*

Assistant Finance Director

Metropolitan Government of Nashville
and Davidson County

700 2nd Avenue South, Suite 310

Nashville, Tennessee 37210

615.862.6114

Kim.mcdoniel@nashville.gov

Audited Financial Statements (A-133)

2010 - Present

Mr. Stan Van Ostran*

Chief Financial Officer

Metropolitan Nashville Airport Authority

One Terminal Drive, Suite 501

Nashville, Tennessee 37214

615.275.1773

stan_vanostran@nashintl.com

Audited Financial Statements

2007 - Present

* Customers which have attained the GFOA Certificate of Achievement.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

1. Assignment/Subcontracting. Neither party may assign any rights or obligations under these Standard Procurement Terms and Conditions or any Statement of Work without the prior written consent of the other party. These Standard Procurement Terms and Conditions will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Vendor may subcontract any portion of the work only with the prior consent of the City, but such subcontracting will not relieve Vendor of its duties under these Standard Procurement Terms and Conditions.
2. Time of the Essence. The parties agree that TIME IS OF THE ESSENCE with respect to the vendor's performance of all provisions of this procurement.
3. Taxes. As a tax-exempt entity, the City shall not be responsible for sales or use taxes incurred for products or services. Upon request, the City shall supply Vendor with a copy of its Sales and Use Tax Exemption Certificate. Vendor shall bear the burden of providing its suppliers with a copy of the City's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred.
4. Notices. Any notice provided pursuant to these Standard Procurement Terms and Conditions, if specified to be in writing, will be in writing and will be deemed given: (a) if by hand delivery, then upon receipt thereof; (b) if mailed, then three (3) City business days after deposit in the mail where sender is located, postage prepaid, certified mail return receipt requested; (c) if by next day delivery service, then upon such delivery; or (d) if by facsimile transmission or electronic mail, then upon confirmation of receipt. All notices will be addressed to the parties at the addresses set forth below (or set forth in such other document which these Standard Procurement Terms and Conditions may accompany, or such other address as either party may in the future specify in writing to the other):

In the case of the City:

City of Franklin

Attn: Purchasing Manager

Re: City of Franklin Purchasing Office Solicitation No. 2015 020

109 Third Ave. South

P.O. Box 305

Franklin, TN 37065-0305

FAX: 615/550-0079

E-mail: purchasing@franklintn.gov

In the case of Vendor:

Crosslin & Associates, PLLC

J. Dell Crosslin, Managing Principal

3803 Bedford Avenue

Suite 103

Nashville, TN 37215

615/329-9465

dell.crosslin@crosslinpc.com

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

5. Confidentiality and Proprietary rights. Vendor waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page (or section as the case may be) as confidential or proprietary. Proprietary rights do not extend to the data created by the City's users of the System; all rights to that data (including derivative or hidden data such as metadata) shall vest solely in City at the moment of creation and City shall retain exclusive rights, title, and ownership of all data and images created therefrom at the moment of creation and utilization, through and including image creation. City may be required to disclose documents under state or federal law. City shall notify Vendor if a request for documents has been made and shall give Vendor a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. In exchange, Vendor agrees to indemnify, defend, and hold harmless City for any claims by third parties relating thereto or arising out of (i) the City's failure to disclose such documents or information required to be disclosed by law, or (ii) the City's release of documents as a result of City's reliance upon Vendor's representation that materials supplied by Vendor (in full or redacted form) do not contain trade secrets or proprietary information, provided that the City impleads Vendor and Vendor assumes control over that claim.
6. Derivative Works. To the extent that the Agreement contains Vendor's reservation of rights, such definitions and limitations are superseded by the following: "Derivative Work" means a program that is based on or derived from one or more existing programs or components. If the original software is modified to create a new program, a derived work is created. If the original software was designed to accept plug-ins or drivers using a defined mechanism, such a driver or plug-in does not form a derived work. Linking to a library in the way it was designed to be interfaced with, does *not* constitute deriving a work. "Derivative work" is *not* the data that the Licensee inputs, manipulates, modifies or otherwise improves, nor the images resulting therefrom.
7. Arbitration/Mediation. No arbitration shall be required as a condition precedent to filing any legal claim arising out of or relating to the Contract. No arbitration or mediation shall be binding.
8. Waiver. Neither party's failure or delay to exercise any of its rights or powers under these Standard Procurement Terms and Conditions will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.
9. Warranties/Limitation of Liability/Waiver. City reserves all rights afforded to local governments under law for all general and implied warranties. The City does not waive any rights it may have to all remedies provided by law and therefore any attempt by Vendor to limit its liability shall be void and unenforceable.
10. Severability. If any term or provision of these Standard Procurement Terms and Conditions is held to be illegal or unenforceable, the validity or enforceability of the remainder of these Standard Procurement Terms and Conditions will not be affected.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

11. Precedence. In the event of conflict between the provisions of these Standard Procurement Terms and Conditions and any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, the provisions of these Standard Procurement Terms and Conditions will to the extent of such conflict take precedence unless such document expressly states that it is amending these Standard Procurement Terms and Conditions.
12. Indemnification. Vendor agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys' fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin.
13. Additions/Modifications. If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.
14. Applicable Law; Choice of Forum/Venue. These Standard Procurement Terms and Conditions are made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to any state's choice-of-law rules. The choice of forum and venue shall be exclusively in the Courts of Williamson County, TN.
15. Termination. Unless the City has indicated otherwise for a specific procurement solicitation, either party may terminate these Standard Procurement Terms and Conditions, with or without cause, upon thirty (30) calendar days' notice to the other. Upon termination by the vendor, the City shall be entitled to retain ownership of any and all goods and equipment purchased. Upon termination by the City, the vendor shall be entitled to receive any amounts due as a result of goods and equipment already delivered and/or services already rendered; however, the City shall maintain ownership and control of any goods and equipment purchased. Upon termination of services, whether connected or unconnected to goods and equipment, such services shall be rendered until the conclusion of the 30th calendar day as stated in the notice or until a contractual benchmark has been achieved, or as the parties may otherwise agree.

Standard Procurement Terms and Conditions

City of Franklin, Tennessee

16. Breach. Upon deliberate breach of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, by either party, the non-breaching party shall be entitled to terminate these Standard Procurement Terms and Conditions without notice, with all of the remedies it would have in the event of termination under section 10 (“Severability”) above, and may also have such other remedies as it may be entitled to in law or in equity.

17. Default. If Vendor fails to perform or comply with any provision of these Standard Procurement Terms and Conditions, or of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, then the City (i) may cancel the purchase award and/or the accompanying contract or agreement or purchase order, in whole or in part, without penalty or protest by Vendor; (ii) may consider such failure to perform or comply as a breach of contract; (iii) reserves the right to purchase its requirements from the vendor that submitted the next lowest and best responsive and responsible bid, or the vendor that submitted the next best proposal, if that vendor will still honor that bid or proposal, or to seek new bids or proposals, or to pursue one or more other options available to the City in compliance with its then current purchasing policy; and (iv) may hold the defaulting vendor liable for all damages provided by law, including cost of cover.

18. Entire Agreement. These Standard Procurement Terms and Conditions, including any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany, constitutes the entire agreement between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of these Standard Procurement Terms and Conditions. The terms and conditions of these Standard Procurement Terms and Conditions may not be changed except by an amendment expressly referencing these Standard Procurement Terms and Conditions by section number and signed by an authorized representative of each party.

19. Survival. These Standard Procurement Terms and Conditions shall survive the completion of or any termination of any contract, agreement or other document which these Standard Procurement Terms and Conditions may accompany.

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__-____)

THIS PROCUREMENT AGREEMENT (“AGREEMENT”) is by and between the City of Franklin, Tennessee (“CITY”), and _____ (“VENDOR”), who mutually agree as follows:

1. CITY issued (a) on ____ __, 20__ Purchasing Office Solicitation No. 20__-____, a procurement solicitation for bids for _____, and (b) on ____ __, 20__ Addendum No. _ to Purchasing Office Solicitation No. 20__-____ (collectively, “SOLICITATION”), a copy of which is attached hereto as Attachment No. 1 and hereby incorporated by reference as if fully set forth herein.
2. In response to CITY’s SOLICITATION, VENDOR submitted a bid/proposal dated ____ __, 20__ (“SUBMITTAL”), a copy of which is attached hereto as Attachment No. 2 and hereby incorporated by reference as if fully set forth herein.
3. VENDOR has now also submitted one or more Certificate(s) of Insurance, a copy of which is attached hereto as Attachment No. 3 and hereby incorporated by reference as if fully set forth herein, that meet or exceed CITY’s Insurance Requirements as specified in SOLICITATION.
4. If and when insurance coverage documented by Certificate(s) of Insurance referenced above expires before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall immediately suspend work or supply and delivery unless and until it provides one or more unexpired replacement certificates of insurance that indicates the new date(s) of insurance coverage expiration and that meets or exceeds CITY’s Insurance Requirements as specified in SOLICITATION.
5. In the event that insurance coverage documented by Certificate(s) of Insurance referenced above is materially modified or canceled before the expiration of any specified term of award, including any extensions thereto, or the supply, delivery and acceptance of the ordered products and/or services, pursuant to this AGREEMENT, then VENDOR shall, immediately upon learning of any such material modification or cancellation, suspend work or supply and delivery and shall, within three (3) calendar days of such learning, notify CITY of any such material modification or cancellation.
6. VENDOR agrees to impose the City’s insurance requirements upon any subcontractors it utilizes for this procurement. Use of any particular subcontractor for this procurement shall have been approved by the City in advance of that subcontractor commencing work for this procurement.
7. VENDOR has now also submitted CITY’s Indemnification Agreement, executed for VENDOR, a copy of which is attached hereto as Attachment No. 4 and hereby incorporated by reference as if fully set forth herein.

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - __)

8. CITY awarded on ____ __, 20__ and now desires to retain VENDOR to _____, pursuant to SOLICITATION, SUBMITTAL and tabulation, as prepared by CITY, of bids received in response to SOLICITATION, a copy of which tabulation is attached hereto as Attachment No. 5 and hereby incorporated by reference as if fully set forth herein.

[OR]

9. CITY awarded on ____ __, 20__ and now desires to retain VENDOR to _____, pursuant to SOLICITATION and SUBMITTAL, and as follows:

Item No.	Description	Quantity	Unit Price	Extended Price	Invoice Due and Payable
1					upon delivery/completion, net 30 days from date of delivery/completion or date of invoice, whichever is later
2					upon delivery/completion, net 30 days from date of final delivery/completion or date of invoice, whichever is later
Total:	All specified materials and services				

10. **[If applicable:]** The term of award shall commence upon execution of this AGREEMENT and shall expire three (3) years from the execution date of this AGREEMENT. At any time after commencement but before or as soon as practicable after the expiration of this term of award, CITY and VENDOR may, by mutual consent, exercise not more than two (2) options to extend the term of award, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, including pricing; and (d) that if VENDOR chooses not to consent to an extension to the term of award, then it shall notify CITY of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that CITY and VENDOR each specifically retain the non-exclusive right, with or without cause, not to extend the term of award.

11. In the event of a conflict between CITY's SOLICITATION and VENDOR's SUBMITTAL, CITY's SOLICITATION shall supersede any conflicting terms and conditions within VENDOR's SUBMITTAL, except for any exceptions identified by VENDOR in its SUBMITTAL and accepted at the time of award by CITY.

[OR]

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20__ - ____)

12. In the event of a conflict between the following documents, the order of precedence shall be as follows: (a) this AGREEMENT; (b) SOLICITATION; and (c) SUBMITTAL.

EXECUTED THIS _____ DAY OF _____ 20__.

For VENDOR:

For CITY:

(signature of VENDOR's authorized representative)

(signature of CITY's authorized representative)

TITLE: _____

TITLE: _____ Mayor _____

Approved as to Form:

Attorney for City of Franklin

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____-_____)

Attachment No. 1

SOLICITATION

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____-_____)

Attachment No. 2

SUBMITTAL

CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 20____ - _____)

Attachment No. 3

Certificate(s) of Insurance

Certificate Date	Producer	Certificate Number	Type of Insurance	Policy Expiration
			Commercial General Liability	
			Automobile Liability	
			Workers Compensation and Employers' Liability	



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/09/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER (847) 385-6800 (847) 385-6801
Lemme Insurance Group, Inc.
111 West Campbell Street
4th Floor
Arlington Heights, IL 60005

CONTACT NAME: Lemme Insurance Group, Inc.
PHONE (A/C, No. Ext): (847) 385-6800 FAX (A/C, No.): (847) 385-6801
E-MAIL ADDRESS: jhecht@lemme.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Great Divide Insurance Company	25224
INSURER B :		
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		


INSURED
Crosslin & Associates, PLLC
The Astoria, 3803 Bedford Avenue, Suite 103
Nashville, TN 37215

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			TNB201190-01	01/06/2015	01/06/2016	\$1,000,000 Each Claim and Annual Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Purchasing Office Solicitation No.: 2015-020

CERTIFICATE HOLDER	CANCELLATION
City of Franklin, Tennessee 109 3rd Ave., South Franklin, TN 37064	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 

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Client#: 841001

22CROSSASS

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/10/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Table with PRODUCER, INSURED, and INSURER(S) AFFORDING COVERAGE sections. Includes contact info for Marge Hickerson and insurance details for Hanover Insurance Company and Massachusetts Bay Ins. Co.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

Main coverage table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR WVD, POLICY NUMBER, POLICY EFF, POLICY EXP, LIMITS. Includes sections for GENERAL LIABILITY, AUTOMOBILE LIABILITY, UMBRELLA LIAB, and WORKERS COMPENSATION.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) The General Liability policy includes a blanket Automatic additional insured endorsement that provides additional insured status to the certificate holder only when there is a written contact between the named insured and the certificate holder that requires such status.

Table with CERTIFICATE HOLDER (City of Franklin Tennessee) and CANCELLATION (Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. Authorized Representative: Michael A. Dyer).

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____-_____)

Attachment No. 4

Indemnification Agreement

Indemnification Agreement
a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

On behalf of Bidder/Proposer, J. Dell Crosslin agrees that:
(printed name of person signing Agreement)

1. He or she is the Managing Principal of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)
Crosslin & Associates, PLLC,
(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. The Bidder or Proposer agrees to indemnify and save the Government of Franklin, the City of Franklin and individual, on or off duty, officers, and employees of the City of Franklin, harmless from any and all losses, damages and expenses, including court costs and attorneys fees, by reason of any loss, whatsoever, arising out of or relating to or in consequence of the work done in connection with the contract of which this Agreement is a part, excepting only such losses as shall be occasioned solely by the negligence of the City of Franklin; and
4. This Agreement is made on personal knowledge.

J. Dell Crosslin Managing Principal
(signature of person whose printed name appears above) (title of person whose printed name appears above)

(Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015_020)
Form revised 02/25/2005

**CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT**

(City of Franklin Contract No. 20____-_____)

Attachment No. 5

Tabulation of bids received

Affidavit of Non-Collusion

a form required of Bidders and Proposers on purchases of supplies, materials, equipment and services for the
City of Franklin, Tennessee

State of Tennessee)

County of Davidson) SS

Affiant, J. Dell Crosslin, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the Managing Principal of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)
Crosslin & Associates, PLLC
(legal name of entity submitting bid or proposal)

the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. Such bid or proposal is genuine and is not a collusive or sham bid or proposal;
4. Neither the said Bidder or Proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this Affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any official or agent of the City of Franklin or with any other firm, person, or potential or actual bidder or proposer to submit a collusive or sham bid or proposal in connection with the contract for which the attached bid or proposal has been submitted, or to refrain from bidding or proposing indirectly, or sought by agreement, or collusion, or communication, or conference with any other firm, person, or potential or actual bidder or proposer to fix the price or prices or cost element of the bid, quoted or proposed price or the bid, quoted or proposed price of any other potential or actual bidder or proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Franklin or any person interested in the proposed contract;
5. The price or prices quoted in the attached bid or proposal are fair and proper and are not tainted by a collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this Affiant; and
6. He or she understands that Article VIII, Section 16, of the City Charter of Franklin, and T.C.A. §6-54-107, prohibit any member of the Board of Mayor and Aldermen, or officer elected by said Board, from being interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and unenforceable, subjecting any funds received by contractor to be returned in full to the City, in addition to any other penalties provided by law.

J. Dell Crosslin (signature of Affiant) Managing Principal (title of Affiant)

Sworn and subscribed to before me this 19th day of February, 2015

Pamela Dozier Slaton (Notary Public) My Commission Expires: May 3, 2016



(Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015_020)

Affidavit of Title VI Compliance
a form required of Bidders and Proposers on purchases of services for the
City of Franklin, Tennessee

State of Tennessee)
County of Davidson) SS

Affiant, J. Dell Crosslin, deposes and makes oath that:
(printed name of person signing Affidavit)

1. He or she is the Managing Principal of
(Owner or Authorized Partner, Officer, Representative or Agent of Owner)
Crosslin & Associates, PLLC
(legal name of entity submitting bid or proposal)

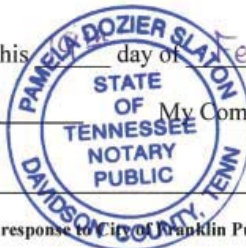
the Bidder or Proposer who has submitted the attached bid or proposal;

2. The Bidder or Proposer is fully informed respecting the preparation and content of the attached bid or proposal and of all pertinent circumstances respecting such bid or proposal;
3. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin or any other class protected by federal and/or Tennessee constitutional, statutory and/or case law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in, the performance of the contract that results from the procurement solicitation to which this affidavit is a component, or in the employment practices of the successful Bidder or Proposer during the performance of the contract that results from said procurement solicitation;
4. The successful Bidder or Proposer shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and job applicants, notices of such non-discrimination;
5. If, with the prior consent of the City, the successful Bidder or Proposer subcontracts any portion of the contract that results from the procurement solicitation to which this affidavit is a component, then the successful Bidder or Proposer shall contractually obligate all of its subcontractors for said contract to comply with the same non-discrimination provisions as those required of the successful Bidder or Proposer; and
6. This Affidavit is made on personal knowledge.

J. Dell Crosslin Managing Director
(signature of Affiant) (title of Affiant)

Sworn and subscribed to before me this February day of 2015

Pamela Dozier Slaton My Commission Expires: May 3, 2016
(Notary Public)

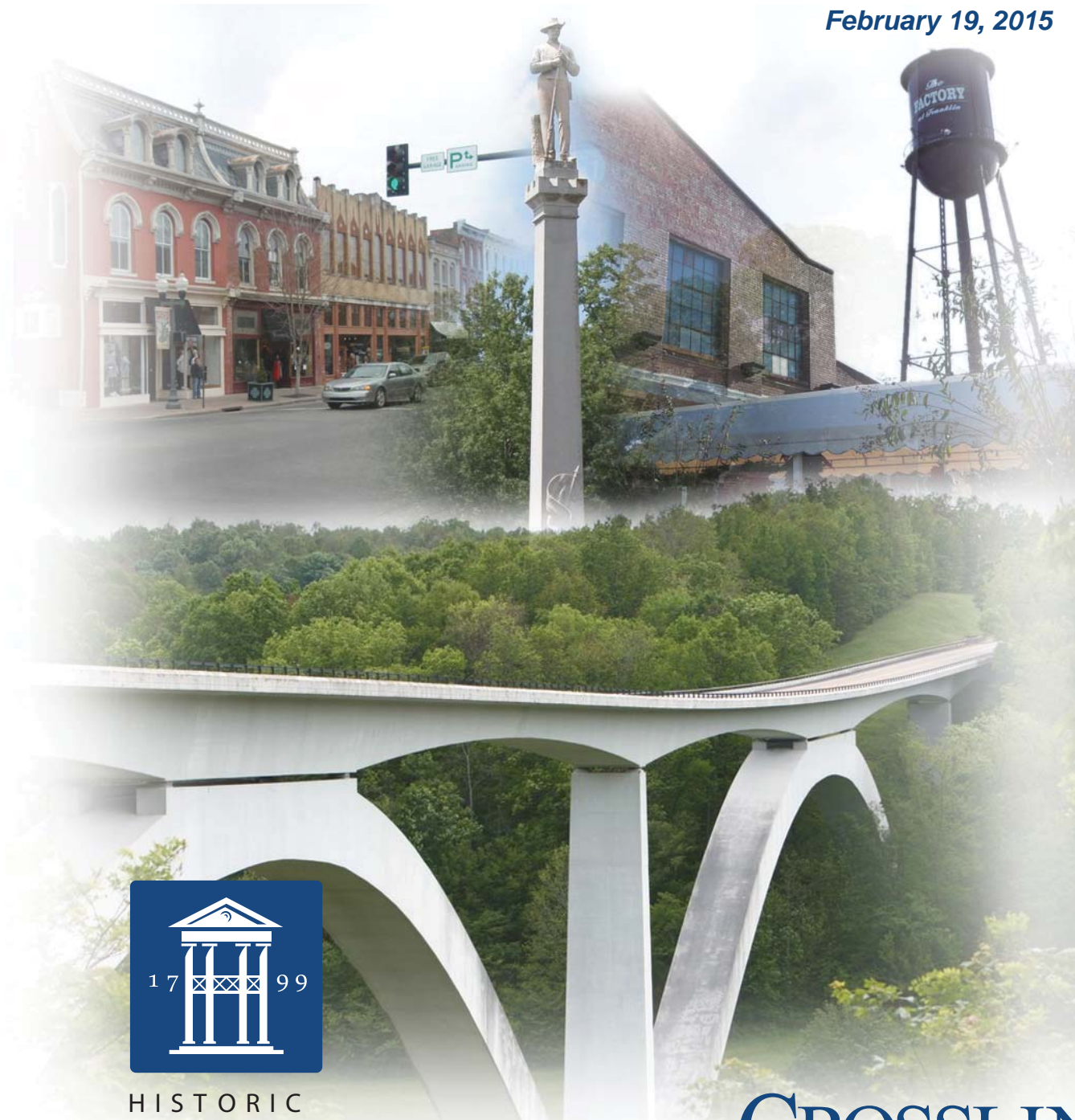


Form revised 10/30/2012 Submitted in response to City of Franklin Purchasing Office Solicitation No. 2015_020





City of Franklin, Tennessee
Proposal to Provide
Professional Audit Services
Fee Proposal
February 19, 2015



HISTORIC
FRANKLIN
TENNESSEE

CROSSLIN
& ASSOCIATES
BUSINESS SOLUTION PROVIDERS



Engagement Fees

At Crosslin, we share with our customers a desire for professional fees to be commensurate with the value delivered. Through our people, commitment and drive, we strive to ensure that this equation is always balanced. We seek not to be the lowest-cost provider in the markets we serve, but rather to provide services that offer compelling value to our customers. We believe that the fees proposed are competitive for comparable services, but we do not want fees to be the sole reason on which you base your decision. Should this proposal yield materially different fee results, and you wish to engage our firm, we would appreciate the opportunity to discuss the differences with you to ensure that our proposal has considered all of the relevant facts.

Our fee proposal for the audit of the City’s (Procurement Solicitation No. 2015-020) financial statements and records of all funds, account groups, and grant contracts for the Fiscal Years Ended June 30, 2015 as well as 2016 through 2019, which indicates our willingness to renew annually for each of the next 4 years at the City’s option and upon approval of the Comptroller of the Treasury for the State of Tennessee are as follow:

Year Ended	Fees
June 30, 2015	\$47,500
June 30, 2016	\$48,000
June 30, 2017	\$48,500
June 30, 2018	\$49,000
June 30, 2019	\$49,500

All administrative charges, technology, and out-of-pocket expenses are included in this quotation.

The above mentioned fees are FIXED unless the City’s activities result in changes which increase the scope of our audit(s). In those circumstances, we would review the complexities and scope of the change, (e.g., formation of entities, significant major program changes, significant new GASB requirements or pronouncements, etc.) and obtain your approval, in advance, of the fee increase. The increase would correspond to the fees quoted above (e.g., number of programs, size of programs, reporting requirements, etc.) At this time, we do not expect any changes from the above fixed fees.

These quotations are based on the following assumptions:

- Your accounting team will prepare schedules, documents, and analyses and provide us with supporting documents as requested, as well as be available to assist us. We do not expect this involvement to be greater than it currently is.
- You will not make significant changes in your internal accounting controls, accounting systems, key personnel, or organizational structure.



Engagement Fees

Upon the conclusion of our work and in accordance with your expected timetable, we will meet with management and the Budget & Finance Committee to present the results of our audit, our management letter, and any other items which they wish to discuss. There will be no additional fees for meeting with your Committee or Board of Mayor and Aldermen.

Unanticipated Services

If an unanticipated need arises, Crosslin hereby agrees to perform this additional work at an agreed-upon price before the service is provided. We agree to strive to obtain a blended rate of \$125 to \$135 per hour for these projects. This service will be billed separately to the City as part of a change order or as separate services, and will be payable upon agreed-upon terms approved in advance by you.

Our current standard billing rates for classes of professional personnel and our rates to the City are as follow:

Standard Billing Rates		City of Franklin RATES
	Current	
Principal	\$290	\$200
Director	\$225	\$170
Senior Manager	\$200	\$150
Manager	\$155	\$116
Supervisor	\$145	\$108
Senior	\$135	\$94
Senior Team Member	\$125	\$82
Team Member	\$115	\$75

These rates will result in a blended rate of approximately \$110-125 per hour.

Service Guarantee

We are fully committed to our pledge of outstanding customer service. Our work for the City is guaranteed to your satisfaction. If you are anything less than satisfied with the services performed by your engagement team, we will do whatever is necessary to make you satisfied. We value your business, and we look forward to continuing working with you to achieve your financial objectives.



CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT

(City of Franklin Contract No. 2015-0060)

Attachment No. 3

Certificates of Insurance

Certificate Date	Producer	Certificate Number	Certificate Holder	Type of Insurance	Policy Expiration
2/9/2015	Lemme Insurance Group, Inc.	not indicated	City of Franklin, Tennessee	Professional Liability	1/6/2016
2/10/2015	BB&T – Cooper, Love, Jackson, Thornton & Harwell	not indicated	City of Franklin, Tennessee	Umbrella Liability	9/1/2015
				Workers Compensation and Employers' Liability	9/1/2015



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/09/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lemme Insurance Group, Inc. 111 West Campbell Street 4th Floor Arlington Heights, IL 60005	(847) 385-6800 (847) 385-6801	CONTACT NAME: Lemme Insurance Group, Inc. PHONE (A/C, No. Ext): (847) 385-6800 FAX (A/C, No): (847) 385-6801 E-MAIL ADDRESS: jhecht@lemme.com
INSURED Crosslin & Associates, PLLC The Astoria, 3803 Bedford Avenue, Suite 103 Nashville, TN 37215	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Great Divide Insurance Company	NAIC # 25224
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			TNB201190-01	01/06/2015	01/06/2016	\$1,000,000 Each Claim and Annual Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Purchasing Office Solicitation No.: 2015-020

CERTIFICATE HOLDER City of Franklin, Tennessee 109 3rd Ave., South Franklin, TN 37064	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Client#: 841001

22CROSSASS

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/10/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER BB&T - Cooper, Love, Jackson, Thornton & Harwell PO Box 139 Nashville, TN 37202-0139	CONTACT NAME: Marge Hickerson PHONE (A/C, No, Ext): 615 346-0349	FAX (A/C, No): 8777677417	
	E-MAIL ADDRESS: mhickerson@bbandt.com		
INSURED Crosslin & Associates PLLC dba Crosslin & Associates PC & Stat Solutions LLC 3803 Bedford Ave., Suite 103 Nashville, TN 37215	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Hanover Insurance Company		22292
	INSURER B: Massachusetts Bay Ins. Co.		22306
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	x		OH5A09853401	09/01/2014	09/01/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			OH5A09853401	09/01/2014	09/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10000 <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			OH5A09853401	09/01/2014	09/01/2015	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N Y N/A	WD5A09845501	09/01/2014	09/01/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 The General Liability policy includes a blanket Automatic additional insured endorsement that provides additional insured status to the certificate holder only when there is a written contact between the named insured and the certificate holder that requires such status.

CERTIFICATE HOLDER City of Franklin Tennessee 109 3rd Ave South Franklin, TN 37064	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Michael A. Dyer</i>
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CITY OF FRANKLIN, TENNESSEE
PROCUREMENT AGREEMENT
(City of Franklin Contract No. 2015-0060)

Attachment No. 4

CONTRACT

**CONTRACT TO AUDIT ACCOUNTS
OF
City of Franklin**

FROM July 01, 2014 TO June 30, 2015

This agreement made this 5th day of March 2015, by and between Crosslin and Associates, PC, 3803 Bedford Avenue, Suite 103, Nashville, TN 37215, hereinafter referred to as the "auditor" and City of Franklin, of PO Box 305, 109 Third Avenue South, Franklin, TN 37065, hereinafter referred to as the "organization", as follows:

1. In accordance with the requirements of the laws and/or regulations of the State of Tennessee, the auditor shall perform a financial and compliance audit of the organization for the period beginning July 01, 2014, and ending June 30, 2015 with the exceptions listed below:
2. The auditor shall conduct the audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the *Audit Manual*. Additional information and procedures necessary to comply with requirements of governments other than the State of Tennessee are permissible provided they do not conflict with or undermine the requirements previously referenced. If applicable, the audit is to be conducted in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget (OMB) *Circular A-133*. The audit is also to be conducted in accordance with any other applicable federal management circulars. It is agreed that this audit will conform to standards, procedures, and reporting requirements established by the Comptroller of the Treasury. It is further agreed that any deviation from these standards and procedures will be approved in writing by the Comptroller of the Treasury prior to the execution of the contract. The interpretation of this contract shall be governed by the above-mentioned publications and the laws of the State of Tennessee.
3. The auditor shall, as part of the written audit report, submit to the organization's management and those charged with governance:
 - a) a report containing an expression of an unqualified or modified opinion on the financial statements, as prescribed by the *Audit Manual*. This report shall state the audit was performed in accordance with *Government Auditing Standards*, except when a disclaimer of opinion is issued. If the organization is a component unit or fund of another entity, it is agreed that: (a) the financial statements may be included in the financial statements of the other entity; (b) the principal auditor for the other entity may rely upon the contracted auditor's report; and (c) any additional information required by the principal auditor of the other entity will be provided in a timely manner.
 - b) a report on the internal control and on compliance with applicable laws and regulations and other matters. This report shall be issued regardless of whether the organization received any federal funding. Audit reports of entities which are subject to the provisions of the Single Audit Act and OMB *Circular A-133* shall include the additional report required by that circular. The reports will set forth findings, recommendations for improvement, concurrence or nonconcurrence of appropriate officials with the audit findings, comments on corrective action taken or planned, and comments on the disposition of prior year findings.
4. If a management letter or any other reports or correspondence relating to other matters involving internal controls or noncompliance are issued in connection with this audit, a copy shall be filed with the Comptroller of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no reportable matters or significant deficiencies not also disclosed in the findings found in the published audit report).
5. The auditor shall file one (1) electronic copy of said report with the Comptroller of the Treasury, State of Tennessee. The auditor shall furnish printed copies and/or an electronic copy of the report to the organization's management and those charged with governance. It is anticipated that the auditor's report shall be filed prior to December 31, 2015, but in no case, shall be filed later than six (6) months following the period to be audited, without explanation to the Comptroller of the Treasury, State of Tennessee and the organization. Requirements for additional copies, including those to be filed with the appropriate officials of granting agencies, are listed below:
6. The auditor agrees to retain working papers for no less than five (5) years from the date the report is received by the Department of Audit. In addition, the auditor agrees that all audit working papers shall, upon request, be made available in the manner requested by the Comptroller for review by the Comptroller of the Treasury or the Comptroller's representatives, agents, and legal counsel, while the audit is in progress and/or subsequent to the completion of the report. Furthermore, at the Comptroller's discretion, it is agreed that the working papers will be reviewed at the office of the auditor, the entity, or the Comptroller and that copies of the working papers can be made by the Comptroller's representatives or may be requested to be made by the firm and may be retained by the Comptroller's representatives.

7. Any reasonable suspicion of fraud, (regardless of materiality) or other unlawful acts including, but not limited to theft, forgery, credit/debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in *Tennessee Code Annotated*, § 39-16-402, involving public money, property, or services shall, upon discovery, be promptly reported in writing by the auditor to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances have the authority, at the discretion of the Comptroller, to directly investigate such matters. Notwithstanding anything herein to the contrary, the Comptroller of the Treasury, State of Tennessee, acknowledges that the auditor's responsibility hereunder is to design its audit to obtain reasonable, but not absolute, assurance of detecting fraud that would have a material effect on the financial statements, as well as other illegal acts or violations of provisions of contracts or grant agreements having a direct and material effect on financial statement amounts. If the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the organization's management and those in charge of governance in writing of the need for such additional investigation and the additional compensation required therefor. Upon approval by the Comptroller of the treasury, an amendment to this contract may be made by the organization's management and those charged with governance and the auditor for such additional investigation.

8. **Group Audits.** The provisions of Section 8, relate exclusively to contracts to audit components of a group under SAS 122, Section AU-C 600. (See definitions in AU-C 600, Paragraph 11.) Section 8 is only applicable to an auditor that audits a component (e.g. a fund, component unit, or other component) of a county government that is audited by the Division of Local Government Audit (LGA). Section 8 is intended to satisfy the communication requirements for the group auditor (LGA) to the component auditor under AU-C 600.

- a) The Division of Local Government Audit (LGA) shall be considered the "group auditor" for any contract to audit a component of an applicable county government. LGA shall present the county's financial statements in compliance with U.S. Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). LGA shall conduct the audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- b) The contracting auditor shall be considered the "component auditor" for purposes of this section.
- c) The financial statements audited by the component auditor should be presented in accordance with GAAP as promulgated by GASB. If the financial reporting framework for any component does not conform to this basis, the financial reporting framework should be disclosed in Section 9 (Special Provisions). (Component financial statements that are not presented using the same financial reporting framework as the county's financial statements may cause this contract to be rejected.)
- d) The component auditor shall conduct the component audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- e) The component auditor shall cooperate with LGA to accomplish the group audit. It is anticipated that LGA will make reference to the component auditor's report in the group audit report. Should LGA find it necessary to assume responsibility for the component auditor's work, the terms, if any, shall be negotiated under a separate addendum to this contract.
- f) The component auditor shall follow the ethical requirements of *Government Auditing Standards* and affirms that the component auditor is independent to perform the audit and will remain independent throughout the course of the component audit engagement.
- g) The component auditor affirms that the component auditor is professionally competent to perform the audit. LGA may confirm certain aspects of the component auditor's competence through the Tennessee State Board of Accountancy.
- h) The component auditor will be contacted via email by the LGA's Audit Review Manager with the estimated date of the conclusion of LGA's audit of the county government. The component auditor agrees to update subsequent events between the date of the component auditor's report and the date of the conclusion of LGA's audit of the county government. Additional subsequent events should be communicated via email to LGA's Audit Review Manager.
- i) The component auditor shall read LGA's audited financial statements for the county government for the previous fiscal year noting in particular related parties in the notes to the financial statements, and material misstatement findings in the Findings and Questioned Costs Section. The previous year audited financial statements can be obtained from the Comptroller's website at www.comptroller.tn.gov. As required by generally accepted auditing standards, we have identified Management Override of Controls and Improper Revenue Recognition as presumptive fraud risks. The component auditor shall communicate to LGA (i.e. group management) on a timely basis related parties not previously identified by the group management in LGA's prior year audited financial statements. Related parties should be communicated via email to LGA's Audit Review Manager.
- j) The component auditor's report should not be restricted as to use in accordance with AU-C, 25 (b) and AU-C, 905.
- k) Sections 1-7 and Sections 9-13 of this contract are also applicable to the component auditor during the performance of the component audit.

9. (Special Provisions)

10. In consideration of the satisfactory performance of the provisions of this contract, the organization shall pay to the auditor a fee of (Fees may be fixed amounts or estimated.) (Fixed Amount: **47,500**) or (Estimated gross fee:)

(If not fixed amount, an estimated gross fee should be furnished to the governing unit for budgetary purposes. A schedule of fees and/or rates should be set forth below. Interim billings may be arranged with consent of both parties to this contract.) Provision for the payment of fees under this agreement has been or will be made by appropriation of management and those charged with governance.

SCHEDULE OF FEES AND/OR RATES:

11. As the authorized representative of the firm, I do hereby affirm that:
- our firm and all individuals participating in the audit are in compliance with all requirements of the Tennessee State Board of Accountancy and;
 - our firm has participated in an external quality control review at least once every three (3) years, conducted by an organization not affiliated with our firm, and that a copy of our most recent external quality control review report has been provided to the organization, and the office of the Tennessee Comptroller of the Treasury approving this contract;
 - all members of the staff assigned to this audit have obtained the necessary hours of continuing professional education required by *Government Auditing Standards*.
 - all auditors participating in the engagement are independent under the requirements of the American Institute of Certified Public Accountants and *Government Auditing Standards*.

12. This writing, including any amendments or special provisions, contains all terms of this contract. There are no other agreements between the parties hereto and no other agreements relative hereto shall be enforceable, unless entered into in accordance with the procedures set out herein and approved by the Comptroller of the Treasury, State of Tennessee. In the event of a conflict or inconsistency between this contract and the special provisions contained in paragraph 9 of this contract, the special provision(s) are deemed to be void. Any changes to this contract must be agreed to in writing by the parties hereto and must be approved by the Comptroller of the Treasury, State of Tennessee. All parties agree that the digital signatures, that is, the electronic signatures applied by submitting the contract, are acceptable as provided for in the Uniform Electronic Transaction Act. Any paper documents submitted related to this contract will be converted to an electronic format and such electronic document(s) will be treated as the official document(s).

13. If any term of this contract is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms will not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

Crosslin and Associates, PC

Audit firms

Governmental Unit or Organization



Daniel Miller

By

Signature

By

Signature

Title/Position:

Principal

Title/Position:

E-mail address:

dell.crosslin@crosslinpc.com

E-mail address:

Date:

March 05, 2015

Date:

Approved by the Comptroller of the Treasury, State of Tennessee

For the Comptroller:

By

Date: