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**PROFESSIONAL SERVICES AGREEMENT**

**For**

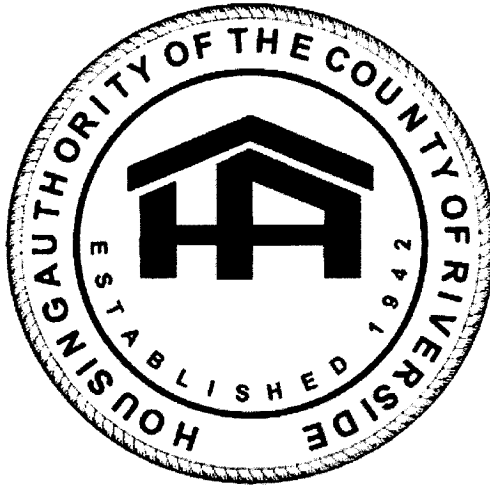
**Financial Audit Services**

**Between**

**The Housing Authority of the County Of Riverside**

**And**

**Smith Marion & Co., Inc.**



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1 THIS PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL AUDIT  
2 SERVICES ("Agreement"), is made and entered into this 1st day of July, 2021, by and  
3 between SMITH MARION & CO., Inc., a California corporation, ("CONSULTANT") and  
4 the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity,  
5 corporate and politic ("AUTHORITY"). The parties agree as follows:

6  
7 **RECITALS**

8 **WHEREAS**, AUTHORITY is a Housing Authority duly created, established and  
9 authorized to transact business and exercise its powers, all under and pursuant to the  
10 provision of the Housing Authorities Law located in Part 2 of Division 24 of the California  
11 Health and Safety Code commencing with Section 34200 et seq.;

12 **WHEREAS**, pursuant to the Housing Authorities Law, AUTHORITY is authorized  
13 to make and execute contracts and other instruments necessary or convenient to  
14 exercise its powers;

15 **WHEREAS**, CONSULTANT was the successful responsive and responsible  
16 proposer in connection with the AUTHORITY'S Request for Proposals (RFP) No. 2021-  
17 005 for Financial Audit Services, dated December 2nd, 2021, incorporated herein by this  
18 reference ("RFP No. 2021-005"); and

19 **WHEREAS**, CONSULTANT has the expertise, special skills, knowledge and  
20 experience to perform the duties set out herein and in the RFP No. 2021-005 and agrees  
21 to provide such services to AUTHORITY.

22 **NOW THEREFORE**, in consideration of the mutual covenants contained herein,  
23 the parties hereto agree as follows:

24  
25 **1. Description of Services**

26 CONSULTANT shall furnish all labor, material and equipment as outlined and  
27 specified in (i) the Scope of Service, attached hereto as Exhibit "A" and (ii)  
28 CONSULTANT'S proposal, submitted to the AUTHORITY on December 2nd, 2021 in

1 connection with RFP No. 2021-005, attached hereto as Exhibit "B"; and (iii) HUD Form  
2 5369 C, attached hereto as Exhibit "C"; and (iv) HUD Form 5370, attached hereto as  
3 Exhibit "D", and (v) HUD Form 50071, attached hereto as Exhibit "E". Each exhibit of  
4 which is respectively incorporated herein by this reference (collectively, "Financial Audit  
5 Services").

6 **1.1** In addition to providing the Financial Audit Services, the CONSULTANT  
7 shall conduct and subsequently deliver the results of the annual financial audits (Audits)  
8 to the AUTHORITY, in a timely manner, as agreed to by both parties.

9 **1.2** CONSULTANT shall provide Financial Audit Services for AUTHORITY for  
10 the fees stated in Paragraph 3.1 below.

11 **1.3** CONSULTANT represents that it has the skills, experience and knowledge  
12 necessary to fully and adequately perform under this Agreement, and the AUTHORITY relies  
13 upon this representation. CONSULTANT shall perform to the satisfaction of the  
14 AUTHORITY, and CONSULTANT shall perform the services and duties in conformance to  
15 and consistent with the standards generally recognized as being employed by professionals  
16 in the same discipline in the State of California. CONSULTANT further represents and  
17 warrants to the AUTHORITY that it has all licenses, permits, qualifications and approvals of  
18 whatever nature are legally required to practice its profession. CONSULTANT further  
19 represents that it shall keep all such licenses and approvals in effect during the term of this  
20 Agreement.

21 **1.4** CONSULTANT affirms that it is fully apprised of all of the work to be performed  
22 under this Agreement; and the CONSULTANT agrees it can properly perform this work at  
23 the fee stated in Paragraph 3.1. CONSULTANT shall not perform services or provide  
24 products that are not set forth in this Agreement, unless by prior written request of the  
25 AUTHORITY.

26 **1.5** Acceptance by the AUTHORITY of the CONSULTANT'S performance under  
27 this Agreement does not operate as a release of CONSULTANT'S responsibility for full  
28 compliance with the terms of this Agreement.

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**2. Term**

2.1 The term of this Agreement shall commence on July 1, 2021, and shall terminate on June 30, 2022, unless earlier terminated pursuant to Paragraph 5 below.

2.2 Extension. Upon mutual written agreement, the AUTHORITY and CONSULTANT shall have the option to extend this Agreement for two (2) additional consecutive one (1) year periods. Such extensions must be approved in writing by the Parties and memorialized in a written amendment to this Agreement executed by the Parties hereto. The cumulative period of performance under this Agreement (including the initial Term) shall not exceed a total of three (3) years with a completion/termination date of June 30, 2024. All applicable indemnification provisions in this Agreement shall survive the termination of this Agreement.

**3. Compensation**

3.1 The AUTHORITY shall pay the CONSULTANT for services performed, products provided, and expenses incurred in accordance with the Scope of Service attached hereto as Exhibit A, the Financial Audit Services, and as provided in this Agreement. Maximum payment (should this Agreement be renewed for all three (3) years) by AUTHORITY to CONSULTANT for the services provided herein shall not exceed ONE HUNDRED SIXTY-ONE THOUSAND ONE HUNDRED AND FIFTY-EIGHT DOLLARS (\$161,158.00), including all expenses ("Maximum Contract Amount").

CONSULTANT'S fees encompass all Financial Audit Services and such other services required in this Agreement including, but not limited to, annual audits, and submission of all required forms. CONSULTANT'S fees also include all travel, per diem and other direct costs related to its Services. For purposes of this paragraph only, the term "Audits" shall mean any type of audit required pursuant to this Agreement including, but not limited to, annual audits required by the United States Department of Housing and Urban Development (HUD) or other government agencies.

1           CONSULTANT'S firm-fixed fees (including all expenses) for services provided  
2 under this Agreement shall be as follows; provided, however in no event shall the  
3 AUTHORITY's payment of such fees exceed the Maximum Contract Amount:

- 4           • AUTHORITY Annual Audit for FY2022   \$51,169
- 5           • AUTHORITY Annual Audit for FY2023   \$52,704
- 6           • AUTHORITY Annual Audit for FY2024   \$54,285
- 7           • CONSULTANT'S one-time fee           \$3,000 (for all additional work  
8           that AUTHORITY may require not otherwise specified in this Agreement).

9           In performing all services, including, but not limited to the Financial Audit Services,  
10 required under this Agreement, the maximum total amount paid by AUTHORITY to  
11 CONSULTANT hereunder shall in no event exceed the Maximum Contract Amount. The  
12 AUTHORITY shall not be responsible for any fees or costs incurred above or beyond the  
13 aforementioned Maximum Contract Amount and AUTHORITY shall have no obligation  
14 to purchase any specified amount of services or products, unless agreed to in writing by  
15 AUTHORITY pursuant to Paragraph 4 below. CONSULTANT shall not be entitled to any  
16 additional fees for any of the Financial Audit Services other than those set forth above.

17           No compensation shall be allowed for administrative, overhead, insurance, word  
18 processing (normal or overflow secretarial time or overtime, or computer time or service)  
19 and related expenses.

20           **3.2** CONSULTANT shall be paid only in accordance with an invoice submitted  
21 to AUTHORITY by CONSULTANT. AUTHORITY shall pay the invoice within thirty (30)  
22 working days from the date of receipt of the invoice. Payment shall be made to  
23 CONSULTANT only after services have been rendered or delivery of materials or  
24 products, and acceptance has been made by AUTHORITY.

25           Prepare all invoices in duplicate. For this Agreement, send the original and duplicate  
26 copies of invoices to:

27                           Housing Authority of the County of Riverside  
28                           5555 Arlington Avenue, Riverside, CA 92504  
                                  ATTN: Esmeralda Oviedo

1           a)     In accordance with California Government Code Section 926.10,  
2 AUTHORITY is not allowed to pay excess interest and late charges.

3           **3.3**    The AUTHORITY'S obligation for payment of this Agreement beyond the  
4 current fiscal year end is contingent upon and limited by the availability of AUTHORITY'S  
5 funding from which payment can be made. No legal liability on the part of the  
6 AUTHORITY shall arise for payment beyond June 30 of each calendar year unless funds  
7 are made available for such payment. In the event that such funds are not forthcoming  
8 for any reason, AUTHORITY shall immediately notify CONSULTANT in writing, and this  
9 Agreement shall be deemed terminated and have no further force and effect.

10          **3.4**    CONSULTANT acknowledges and agrees that this Agreement and the  
11 provision of services hereunder is nonexclusive and that the AUTHORITY may enter into  
12 similar agreements with other entities for the provision of similar services.

13  
14 **4.     Alteration or Changes to the Agreement**

15           No alteration or variation of the terms of this Agreement shall be valid unless made  
16 in writing and signed by the parties hereto, and no oral understanding or agreement not  
17 incorporated herein shall be binding on any of the parties hereto. No additional services  
18 shall be performed by CONSULTANT without a written amendment to this Agreement.

19           CONSULTANT understands that the AUTHORITY Contracting Officer or the  
20 AUTHORITY Deputy Executive Director are the only authorized AUTHORITY  
21 representatives who may at any time, by written order, make any alterations within the  
22 general scope of this Agreement.

23           If CONSULTANT feels that any work requested of it is beyond the Scope of  
24 Services under this Agreement, any claim by the CONSULTANT for adjustment under  
25 this Paragraph shall be made within thirty (30) days of the Effective Date.

26  
27 **5.     Termination**

28           AUTHORITY may, by written notice to CONSULTANT, terminate this Agreement

1 in whole or in part at any time. Such termination may be for AUTHORITY'S convenience  
2 or because of CONSULTANT'S failure to perform its duties and obligations under this  
3 Agreement including, but not limited to, the failure of CONSULTANT to timely perform  
4 services pursuant to this Agreement, including, but not limited to the Scope of Services  
5 attached hereto as Exhibit "A" and the Financial Audit Services.

6 **5.1 Discontinuance of Services.** Upon Termination, CONSULTANT shall,  
7 unless otherwise directed by the notice, discontinue all services and deliver to the  
8 AUTHORITY all data, estimates, graphs, summaries, reports, and other related materials  
9 as may have been prepared or accumulated by CONSULTANT in performance of  
10 services, whether completed or in progress.

11 **5.2 Effect of Termination for Convenience.** If the termination is to be for the  
12 convenience of the AUTHORITY, the AUTHORITY shall compensate CONSULTANT for  
13 services satisfactorily provided through the date of termination. CONSULTANT shall  
14 provide documentation deemed adequate by AUTHORITY to show the services actually  
15 completed by CONSULTANT prior to the date of termination. This Agreement shall  
16 terminate thirty (30) days following receipt by the CONSULTANT of the written notice of  
17 termination.

18 **5.3 Effect of Termination for Cause.** If the termination is due to the failure of  
19 CONSULTANT to fulfill its obligations under this Agreement, CONSULTANT shall be  
20 compensated for those services which have been completed in accordance with this  
21 Agreement and accepted by the AUTHORITY. In such case, the AUTHORITY may take  
22 over the work and prosecute the same to completion by contract or otherwise. Further,  
23 CONSULTANT shall be liable to the AUTHORITY for any reasonable additional costs  
24 incurred by the AUTHORITY to revise work for which the AUTHORITY has compensated  
25 CONSULTANT under this Agreement, but which the AUTHORITY has determined in its  
26 sole discretion needs to be revised in part or whole to complete the project. Prior to  
27 discontinuance of services, the AUTHORITY may arrange for a meeting with  
28 CONSULTANT to determine what steps, if any, CONSULTANT can take to adequately

1 fulfill its requirements under this Agreement. In its sole discretion, AUTHORITY may  
2 propose an adjustment to the terms and conditions of the Agreement, including the  
3 contract price. Such contract adjustments, if accepted in writing by the parties, shall  
4 become binding on CONSULTANT and shall be performed as part of this Agreement. In  
5 the event of termination for cause, unless otherwise agreed to in writing by the parties,  
6 this Agreement shall terminate seven (7) days following the date the notice of termination  
7 was mailed to the CONSULTANT. Termination of this Agreement for cause may be  
8 considered by the AUTHORITY in determining whether to enter into future agreements  
9 with CONSULTANT.

10 **5.4** Notwithstanding any of the provisions of this Agreement, CONSULTANT'S  
11 rights under this Agreement shall terminate (except for fees accrued prior to the date of  
12 termination) upon dishonesty, or a willful or material breach of this Agreement by  
13 CONSULTANT, or in the event of CONSULTANT'S unwillingness or inability for any  
14 reason whatsoever to perform the duties hereunder, or if the Agreement is terminated  
15 pursuant to this Paragraph 5. In such event, CONSULTANT shall not be entitled to any  
16 further compensation under this Agreement.

17 **5.5** Cumulative Remedies. The rights and remedies of the parties provided in  
18 this Paragraph are in addition to any other rights and remedies provided by law, equity  
19 or under this Agreement.

20  
21 **6. Data Security**

22 **6.1 Definitions:** Capitalized terms used herein shall have the meanings set  
23 forth in this Paragraph 6.

24 "Authorized Employees" means CONSULTANT'S employees who have a need to  
25 know or otherwise access Personal Information to enable CONSULTANT to perform its  
26 obligations under this Agreement.

27 "Authorized Persons" means (i) Authorized Employees; and (ii) CONSULTANT'S  
28 subcontractors, agents, and auditors who have a need to know or otherwise access

1 Personal Information to enable CONSULTANT to perform its obligations under this  
2 Agreement, and who are bound in writing by confidentiality obligations sufficient to  
3 protect Personal Information in accordance with the terms and conditions of this  
4 Agreement.

5 "Highly-Sensitive Personal Information" means an (i) individual's government-  
6 issued identification number (including social security number, driver's license number  
7 or state-issued identified number); (ii) financial account number, credit card number,  
8 debit card number, credit report information, with or without any required security code,  
9 access code, personal identification number or password, that would permit access to  
10 an individual's financial account; or (iii) biometric or health data.

11 "Personal Information" means information provided to CONSULTANT by or at the  
12 direction of AUTHORITY, or to which access was provided to CONSULTANT by or at  
13 the direction of AUTHORITY, in the course of CONSULTANT'S performance under this  
14 Agreement that: (i) identifies or can be used to identify an individual (including, without  
15 limitation, names, signatures, addresses, telephone numbers, e-mail addresses and  
16 other unique identifiers); or (ii) can be used to authenticate an individual (including,  
17 without limitation, employee identification numbers, government-issued identification  
18 numbers, passwords or PINs, financial account numbers, credit report information,  
19 biometric or health data, answers to security questions and other personal identifiers), in  
20 case of both subclauses (i) and (ii), including, without limitation, all Highly-Sensitive  
21 Personal Information. Business contact information is not by itself deemed to be  
22 Personal Information.

23 **6.2 Standard of Care:**

24 **A.** CONSULTANT acknowledges and agrees that, in the course of its  
25 engagement by AUTHORITY, CONSULTANT may receive or have access to Personal  
26 Information. CONSULTANT shall comply with the terms and conditions set forth in this  
27 Agreement in its collection, receipt, transmission, storage, disposal, use and disclosure  
28 of such Personal Information and be responsible for the unauthorized collection, receipt,

1 transmission, access, storage, disposal, use and disclosure of Personal Information  
2 under its control or in its possession by all Authorized Employees/Authorized Persons.  
3 CONSULTANT shall be responsible for, and remain liable to, AUTHORITY for the  
4 actions and omissions of all Authorized Persons that are not Authorized Employees  
5 concerning the treatment of Personal Information as if they were CONSULTANT'S own  
6 actions and omissions.

7 **B.** Personal Information is deemed to be Confidential Information of AUTHORITY  
8 and is not Confidential Information of CONSULTANT. In the event of a conflict or  
9 inconsistency between this Paragraph 6 and compliance with California law, the terms  
10 and conditions set forth in this Paragraph 6 shall govern and control.

11 **C.** In recognition of the foregoing, CONSULTANT agrees and covenants that it  
12 shall:

- 13 (i) keep and maintain all Personal Information in strict confidence, using such  
14 degree of care as is appropriate to avoid unauthorized access, use or disclosure;  
15 (ii) use and disclose Personal Information solely and exclusively for the purposes  
16 for which the Personal Information, or access to it, is provided pursuant to the  
17 terms and conditions of this Agreement, and not use, sell, rent, transfer, distribute,  
18 or otherwise disclose or make available Personal Information for  
19 CONSULTANT'S own purposes or for the benefit of anyone other than  
20 AUTHORITY, in each case, without AUTHORITY'S prior written consent; and  
21 (iii) not, directly or indirectly, disclose Personal Information to any person other  
22 than its Authorized Employees/Authorized Persons, (an "Unauthorized Third  
23 Party"), without express written consent from AUTHORITY, unless and to the  
24 extent required by government authorities or as otherwise to the extent expressly  
25 required by applicable law, in which case, CONSULTANT shall (i) use best efforts  
26 to notify AUTHORITY before such disclosure or as soon thereafter as reasonably  
27 possible; and (ii) require the Unauthorized Third Party that has access to Personal  
28

1 Information to execute a written agreement agreeing to comply with the terms and  
2 conditions of this Agreement relating to the treatment of Personal Information.

3 **6.3 Information Security:**

4 **A.** CONSULTANT represents and warrants that its collection, access, use,  
5 storage, disposal and disclosure of Personal Information does and will comply with all  
6 applicable federal, state, privacy and data protection laws, as well as all other applicable  
7 regulations and directives.

8 **B.** At a minimum, CONSULTANT'S safeguards for the protection of Personal  
9 Information shall include: (i) limiting access of Personal Information to Authorized  
10 Employees/Authorized Persons; (ii) securing business facilities, data centers, paper files,  
11 servers, back-up systems and computing equipment, including, but not limited to, all  
12 mobile devices and other equipment with information storage capability; (iii)  
13 implementing network, device application, database and platform security; (iv) securing  
14 information transmission, storage and disposal; (v) implementing authentication and  
15 access controls within media, applications, operating systems and equipment; (vi)  
16 encrypting Highly-Sensitive Personal Information stored on any mobile media; (vii)  
17 encrypting Highly-Sensitive Personal Information transmitted over public or wireless  
18 networks; (viii) strictly segregating Personal Information from information of  
19 CONSULTANT or its other customers so that Personal Information is not commingled  
20 with any other types of information; (ix) implementing appropriate personnel security and  
21 integrity procedures and practices, including, but not limited to, conducting background  
22 checks consistent with applicable law; and (x) providing appropriate privacy and  
23 information security training to CONSULTANT'S employees.

24  
25 **7. Ownership/Use of Contract Materials and Products**

26 The CONSULTANT agrees that all materials, reports or products in any form,  
27 including electronic, created by CONSULTANT for which CONSULTANT has been  
28 compensated by AUTHORITY pursuant to this Agreement shall be the sole property of

1 the AUTHORITY. The material, reports or products may be used by the AUTHORITY for  
2 any purpose that the AUTHORITY deems to be appropriate, including, but not limit to,  
3 duplication and/or distribution within the AUTHORITY or to third parties. CONSULTANT  
4 agrees not to release or circulate in whole or part such materials, reports, or products  
5 without prior written authorization of the AUTHORITY.

6 Upon completion of the work described in the Scope of Services attached hereto  
7 as Exhibit "A" and the Financial Audit Services, the CONSULTANT shall furnish to the  
8 AUTHORITY, ten (10) bound copies and five (5) digital copies, in a format acceptable to  
9 the AUTHORITY, of the deliverables and/or documents as specified in the Scope of  
10 Services attached hereto as Exhibit "A."

11  
12 **8. Conflict of Interest**

13 **8.1** CONSULTANT covenants that it presently has no interest, including but not  
14 limited to, other projects or independent contracts, and shall not acquire any such interest,  
15 direct or indirect, which would conflict in any manner or degree with the performance of  
16 services required under this Agreement. CONSULTANT further covenants that in the  
17 performance of this Agreement, no person having any such interest shall be employed or  
18 retained by it under this Agreement. The CONSULTANT agrees to inform the  
19 AUTHORITY of all the CONSULTANT'S interests, if any, which are or may be perceived  
20 as incompatible with the AUTHORITY'S interests.

21 **8.2** The CONSULTANT shall not, under circumstances which could be  
22 interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept  
23 any gratuity or special favor from individuals or firms with whom the CONSULTANT is  
24 doing business or proposing to do business, in accomplishing the work under this  
25 Agreement.

26 **8.3** The CONSULTANT or its employees shall not offer gifts, gratuity, favors,  
27 and entertainment directly or indirectly to AUTHORITY employees.

28

1 **9. Inspection of Services**

2 9.1 All performance shall be subject to inspection by the AUTHORITY. The  
3 CONSULTANT shall provide adequate cooperation to AUTHORITY representative(s) to  
4 permit him/her to determine the CONSULTANT'S conformity with the terms of this  
5 Agreement. If any services performed or products provided by CONSULTANT are not  
6 in conformance with the terms of this Agreement, the AUTHORITY shall have the right  
7 to require the CONSULTANT to perform the services or provide the products in  
8 conformance with the terms of the Agreement at no additional cost to the AUTHORITY.  
9 When the services to be performed or the products to be provided are of such nature  
10 that the difference cannot be corrected, the AUTHORITY shall have the right to: (1)  
11 require the CONSULTANT immediately to take all necessary steps to ensure future  
12 performance in conformity with the terms of the Agreement; and/or (2) reduce the  
13 Agreement price to reflect the reduced value of the services performed or products  
14 provided. The AUTHORITY may also terminate this Agreement for default and charge  
15 to CONSULTANT any costs incurred by the AUTHORITY because of the  
16 CONSULTANT'S failure to perform.

17 9.2 CONSULTANT shall establish adequate procedures for self-monitoring to  
18 ensure proper performance under this Agreement; and shall permit an AUTHORITY  
19 representative(s) to monitor, assess or evaluate CONSULTANT'S performance under  
20 this Agreement at any time upon reasonable notice to CONSULTANT.

21  
22 **10. Independent Contractor**

23 The CONSULTANT is, for purposes relating to this Agreement, an independent  
24 contractor and shall not be deemed an employee of the AUTHORITY. It is expressly  
25 understood and agreed that the CONSULTANT (including its employees, agents and  
26 subcontractors) shall in no event be entitled to any benefits to which AUTHORITY  
27 employees are entitled, including but not limited to overtime, any retirement benefits,  
28 worker's compensation benefits, and injury leave or other leave benefits. There shall be

1 no employer-employee relationship between the parties, and CONSULTANT shall hold  
2 AUTHORITY harmless from any and all claims that may be made against AUTHORITY  
3 based upon any contention by a third party that an employer-employee relationship  
4 exists by reason of this Agreement. It is further understood and agreed by the parties  
5 that CONSULTANT in the performance of this Agreement is subject to the control or  
6 direction of AUTHORITY merely as to the results to be accomplished and not as to the  
7 means and methods for accomplishing the results.

8  
9 **11. Subcontract for Work or Services**

10 No contract shall be made by the CONSULTANT with any other party for  
11 furnishing any of the work or services under this Agreement without the prior written  
12 approval of the AUTHORITY, but this provision shall not require the approval of contracts  
13 of employment between the CONSULTANT and personnel assigned under this  
14 Agreement, or for parties named in the proposal and agreed to under this Agreement.

15  
16 **12. Disputes**

17 **12.1** The parties shall attempt to resolve any disputes amicably at the working  
18 level. If that is not successful, the dispute shall be referred to the senior management of  
19 the parties. Any dispute relating to this Agreement which is not resolved by the parties  
20 shall be decided by the AUTHORITY'S Contracting Officer who shall furnish the decision  
21 in writing. The decision of the AUTHORITY'S Contracting Officer shall be final and  
22 conclusive unless determined by a court of competent jurisdiction to have been  
23 fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad  
24 faith. The CONSULTANT shall proceed diligently with the performance of this Agreement  
25 pending the resolution of a dispute.

26 **12.2** Prior to the filing of any legal action related to this Agreement, the parties  
27 shall be obligated to attend a mediation session in Riverside County before a neutral  
28 third party mediator. A second mediation session shall be required if the first session is

1 not successful. The parties shall share the cost of the mediations. Each party shall be  
2 responsible for its own legal fees and other expenses incident to the preparation for  
3 mediation.

4  
5 **13. Jurisdiction and Venue**

6 This Agreement is to be construed under the laws of the State of California. The  
7 parties agree to the jurisdiction and venue of the Superior Court in the County of  
8 Riverside, State of California.

9  
10 **14. Licensing and Permits**

11 CONSULTANT shall comply with all State or other licensing requirements,  
12 including but not limited to the provisions of Chapter 9 of Division 3 of the Business and  
13 Professions Code. All licensing requirements shall be met at the time proposals are  
14 submitted to the AUTHORITY. CONSULTANT warrants that it has all necessary permits,  
15 approvals, certificates, waivers and exemptions necessary for performance of this  
16 Agreement as required by the laws and regulations of the United States, the State of  
17 California, the County of Riverside and all other governmental agencies with jurisdiction,  
18 and shall maintain these throughout the term of this Agreement.

19  
20 **15. Non-Discrimination**

21 CONSULTANT shall not be discriminate in the provision of services, allocation of  
22 benefits, accommodation in facilities, or employment of personnel on the basis of ethnic  
23 group identification, race, religious creed, color, national origin, ancestry, physical  
24 handicap, medical condition, marital status or sex in the performance of this Agreement;  
25 and, to the extent they shall be found to be applicable hereto, shall comply with the  
26 provisions of the California Fair Employment Practices Act (commencing with Section  
27 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), the  
28

1 Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and all other applicable  
2 laws or regulations.

3  
4 **16. Records and Documents**

5 CONSULTANT shall make available, upon written request by any duly authorized  
6 Federal, State or County agency, a copy of this Agreement and such books, documents  
7 and records as are necessary to certify the nature and extent of the CONSULTANT'S  
8 costs related to this Agreement. All such books, documents and records shall be  
9 maintained by CONSULTANT for at least five (5) years following termination of this  
10 Agreement and be available for audit by the AUTHORITY. CONSULTANT shall provide  
11 to the AUTHORITY reports and information related to this Agreement as requested by  
12 AUTHORITY.

13  
14 **17. Confidentiality**

15 17.1 The CONSULTANT shall not use for personal gain or make other improper  
16 use of privileged or confidential information which is acquired in connection with this  
17 Agreement. The term "privileged or confidential information" includes but is not limited to:  
18 unpublished or sensitive technological or scientific information; medical, personnel, or  
19 security records; anticipated material requirements or pricing/purchasing actions;  
20 AUTHORITY information or data which is not subject to public disclosure; AUTHORITY  
21 operational procedures; and knowledge of selection of contractors, subcontractors or  
22 suppliers in advance of official announcement.

23 17.2 The CONSULTANT shall protect from unauthorized disclosure names and  
24 other identifying information concerning persons receiving services pursuant to this  
25 Agreement, except for general statistical information not identifying any person. The  
26 CONSULTANT shall not use such information for any purpose other than carrying out the  
27 CONSULTANT'S obligations under this Agreement. The CONSULTANT shall promptly  
28 transmit to the AUTHORITY all third party requests for disclosure of such information.

1 The CONSULTANT shall not disclose, except as otherwise specifically permitted by this  
2 Agreement or authorized in advance in writing by the AUTHORITY, any such information  
3 to anyone other than the AUTHORITY. For purposes of this Paragraph 17, identity shall  
4 include, but not be limited to, name, identifying number, symbol, or other identifying  
5 particulars assigned to the individual, such as finger or voice print or a photograph.  
6

7 **18. Administration/Contract Liaison**

8 The Deputy Executive Director of the Housing Authority of the County of  
9 Riverside, or designee, shall administer this Agreement on behalf of AUTHORITY and is  
10 authorized to take any and all actions on behalf of the AUTHORITY as set forth herein  
11 and to terminate services in accordance with Paragraph 5 of this Agreement. Whenever  
12 a reference is made herein to an action or approval to be undertaken by the  
13 AUTHORITY, the Deputy Executive Director, or designee, is authorized to act unless  
14 this Agreement specifically provides otherwise.  
15

16 **19. Notices**

17 All correspondence and notices required or contemplated by this Agreement shall  
18 be delivered to the respective parties at the addresses set forth below, or at such other  
19 address provided by a party in writing, and are deemed submitted one (1) day after their  
20 deposit in the United States Mail, postage prepaid:

21 **AUTHORITY**

22 Housing Authority of the County of Riverside  
23 5555 Arlington Avenue, Riverside, CA 92504  
24 Attention: Deputy Executive Director

25 **CONSULTANT**

26 Smith Marion & Co., Inc.  
27 1940 Orange Tree Lane Ste. 100 Redlands, California 92374  
28 Attention: Douglas Englehart

1 **20. Force Majeure**

2 If either party is unable to comply with any provision of this Agreement due to  
3 causes beyond its reasonable control, and which could not have been reasonably  
4 anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such  
5 party shall not be held liable for such failure to comply, provided the subject party  
6 provides written notice to the other party no later than five (5) days after the  
7 commencement of such force majeure event.

8  
9 **21. EDD Reporting Requirements**

10 In order to comply with child support enforcement requirements of the State of  
11 California, the AUTHORITY may be required to submit a Report of Independent  
12 Contractor(s) form **DE 542** to the Employment Development Department ("EDD"). The  
13 CONSULTANT agrees to furnish the required data and certifications to the AUTHORITY  
14 within 10 days of notification of award of Agreement when required by the EDD. This  
15 data will be transmitted to governmental agencies charged with the establishment and  
16 enforcement of child support orders. Failure of the CONSULTANT to timely submit the  
17 data and/or certificates required may result in the contract being award to another  
18 CONSULTANT. In the event a contract has been issued, failure of the CONSULTANT  
19 to comply with all federal and state reporting requirements for child support enforcement  
20 or to comply with all lawfully served Wage and Earnings Assignments Orders and Notice  
21 of Assignment shall constitute a material breach of Agreement. If CONSULTANT has  
22 any questions concerning this reporting requirement, please call (916) 657-0529.  
23 CONSULTANT should also contact is local Employment Tax Customer Service Office  
24 listed in the telephone directory in the State Government section under "Employment  
25 Development Department" or access their Internet site at [www.edd.ca.gov](http://www.edd.ca.gov).

1 **22. Hold Harmless/Indemnification**

2 **22.1** CONSULTANT shall indemnify and hold harmless the Housing Authority  
3 of the County of Riverside, the County of Riverside, its Agencies, Districts, Special  
4 Districts and Departments, their respective directors, officers, Board of Supervisors,  
5 elected and appointed officials, employees, agents and representatives (collectively,  
6 "Indemnified Parties") from any liability, claim, damage or action whatsoever, based or  
7 asserted upon any act or omission of CONSULTANT, its officers, employees,  
8 subcontractors, agents or representatives arising out of or in any way relating to this  
9 Agreement, including but not limited to property damage, bodily injury, or death.  
10 CONSULTANT shall defend, at its sole cost and expense, including but not limited to  
11 attorney fees, cost of investigation, defense and settlements or awards, the Housing  
12 Authority of the County of Riverside, the County of Riverside, its respective Agencies,  
13 Districts, Special Districts and Departments, their respective directors, officers, Board of  
14 Supervisors, elected and appointed officials, employees, agents and representatives in  
15 any such action or claim. With respect to any action or claim subject to indemnification  
16 herein by CONSULTANT, CONSULTANT shall, at its sole cost, have the right to use  
17 counsel of its own choice and shall have the right to adjust, settle, or compromise any  
18 such action or claim without the prior consent of AUTHORITY; provided, however, that  
19 any such adjustment, settlement or compromise in no manner whatsoever limits or  
20 circumscribes CONSULTANT'S indemnification of AUTHORITY and the Indemnified  
21 Parties. CONSULTANT'S obligations hereunder shall be satisfied when CONSULTANT  
22 has provided to AUTHORITY the appropriate form of dismissal (or similar document)  
23 relieving the AUTHORITY from any liability for the action or claim involved. The specified  
24 insurance limits required in this Agreement shall in no way limit or circumscribe  
25 CONSULTANT'S obligations to indemnify and hold harmless the AUTHORITY and  
26 Indemnified Parties.

27 **22.2** In the event there is conflict between this clause and California Civil Code  
28 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such

1 interpretation shall not relieve the CONSULTANT from indemnifying the AUTHORITY to  
2 the fullest extent allowed by law. The indemnification and hold harmless obligations set  
3 forth in this Paragraph 22 shall survive the termination and expiration of this Agreement.  
4

5 **23. Insurance**

6 Without limiting or diminishing the CONSULTANT'S obligation to indemnify or  
7 hold the AUTHORITY harmless, CONSULTANT shall procure and maintain or cause to  
8 be maintained, at its sole cost and expense, the following insurance coverage during the  
9 term of this Agreement. As respects to the insurance section only, AUTHORITY herein  
10 refers to the Housing Authority of the County of Riverside, the County of Riverside, its  
11 respective Agencies, Districts, Special Districts, and Departments, their respective  
12 directors, officers, Board of Supervisors, Board of Commissioners, employees, elected  
13 or appointed officials, agents or representatives as Additional Insureds.

14 A. Workers' Compensation:

15 If the CONSULTANT has employees as defined by the State of California, the  
16 CONSULTANT shall maintain statutory Workers' Compensation Insurance  
17 (Coverage A) as prescribed by the laws of the State of California. Policy shall  
18 include Employers' Liability (Coverage B) including Occupational Disease with  
19 limits not less than \$1,000,000 per person per accident. The policy shall be  
20 endorsed to waive subrogation in favor of the AUTHORITY.  
21

22 B. Commercial General Liability:

23 Commercial General Liability insurance coverage, including but not limited to,  
24 premises liability, unmodified contractual liability, products and completed  
25 operations liability, personal and advertising injury, and cross liability coverage,  
26 covering claims which may arise from or out of CONSULTANT'S performance of  
27 its obligations hereunder. Policy shall name the AUTHORITY as Additional  
28 Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence

1 combined single limit. If such insurance contains a general aggregate limit, it shall  
2 apply separately to this agreement or be no less than two (2) times the occurrence  
3 limit.

4 C. Vehicle Liability:

5 If vehicles or mobile equipment are used in the performance of the obligations  
6 under this Agreement, then CONSULTANT shall maintain liability insurance for all  
7 owned, non-owned or hired vehicles so used in an amount not less than  
8 \$1,000,000 per occurrence combined single limit. If such insurance contains a  
9 general aggregate limit, it shall apply separately to this agreement or be no less  
10 than two (2) times the occurrence limit. Policy shall name the AUTHORITY as  
11 Additional Insureds.

12 D. Professional Liability:

13 CONSULTANT shall maintain Professional Liability Insurance providing coverage  
14 for the CONSULTANT'S performance of work included within this Agreement, with  
15 a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual  
16 aggregate. If CONSULTANT'S Professional Liability Insurance is written on a  
17 claims made basis rather than an occurrence basis, such insurance shall continue  
18 through the term of this Agreement and CONSULTANT shall purchase at his sole  
19 expense either:

- 20 1) An Extended Reporting Endorsement (also, known as Tail Coverage); or
- 21 2) Prior Dates Coverage from new insurer with a retroactive date back to  
22 the date of, or prior to, the inception of this Agreement; or,
- 23 3) Demonstrate through Certificates of Insurance that CONSULTANT has  
24 maintained continuous coverage with the same or original  
25 insurer. Coverage provided under items; 1), 2) or 3) will continue as long  
26 as the law allows.

27 E. General Insurance Provisions - All lines:

1 1) Any insurance carrier providing insurance coverage hereunder shall be  
2 admitted to the State of California and have an A M BEST rating of not less  
3 than A: VIII (A:8) unless such requirements are waived, in writing, by the  
4 AUTHORITY'S Risk Manager. If the AUTHORITY'S Risk Manager waives  
5 a requirement for a particular insurer such waiver is only valid for that  
6 specific insurer and only for one policy term.

7 2) The CONSULTANT shall declare its insurance self-insured retention for  
8 each coverage required herein. If any such self-insured retention exceeds  
9 \$500,000 per occurrence each such retention shall have the prior written  
10 consent of the AUTHORITY's Risk Manager before the commencement of  
11 operations under this Agreement. Upon notification of self-insured retention  
12 unacceptable to the AUTHORITY, and at the election of the AUTHORITY's  
13 Risk Manager, CONSULTANT'S carriers shall either; 1) Reduce or  
14 eliminate such self-insured retention as respects this Agreement with the  
15 AUTHORITY, or 2) Procure a bond which guarantees payment of losses  
16 and related investigations, claims administration, and defense costs and  
17 expenses.  
18

19 3) CONSULTANT shall cause CONSULTANT'S insurance carrier(s) to  
20 furnish the AUTHORITY with either 1) a properly executed original  
21 Certificate(s) of Insurance and certified original copies of Endorsements  
22 effecting coverage as required herein, and 2) if requested to do so orally or  
23 in writing by the AUTHORITY'S Risk Manager, provide original Certified  
24 copies of policies including all Endorsements and all attachments thereto,  
25 showing such insurance is in full force and effect. Further, said  
26 Certificate(s), and policies of insurance shall contain the covenant of the  
27 insurance carrier(s) that thirty (30) days written notice shall be given to the  
28 AUTHORITY prior to any material modification, cancellation, expiration or

1 reduction in coverage of such insurance. In the event of a material  
2 modification, cancellation, expiration, or reduction in coverage, this  
3 Agreement shall terminate forthwith, unless the AUTHORITY receives, prior  
4 to such effective date, another properly executed original Certificate of  
5 Insurance and original copies of endorsements or certified original policies,  
6 including all endorsements and attachments thereto evidencing coverage's  
7 set forth herein and the insurance required herein is in full force and effect.  
8 **CONSULTANT shall not commence operations until the AUTHORITY**  
9 **has been furnished original Certificate(s) of Insurance and certified**  
10 **original copies of endorsements and if requested, review original of**  
11 **the policies of insurance including all endorsements and any and all**  
12 **other attachments as required in this Section. An individual authorized**  
13 **by the insurance carrier to do so on its behalf shall sign the original**  
14 **endorsements for each policy and the Certificate of Insurance. Upon**  
15 **AUTHORITY'S request, CONSULTANT shall make available for**  
16 **inspection by AUTHORITY'S Risk Manager, at a mutually agreeable**  
17 **location, copies of CONSULTANT'S insurance policies.**

18 4) It is understood and agreed to by the parties hereto and the insurance  
19 company(s) that the CONSULTANT'S insurance shall be construed as  
20 primary insurance, and the AUTHORITY'S insurance and/or deductible  
21 and/or self-insured retentions' or self-insured programs shall not be  
22 construed as contributory.

23 5) If, during the term of this Agreement or any extension thereof, there is a  
24 material change in the Scope of Service or Financial Audit Services; or,  
25 there is a material change in the equipment to be used in the performance  
26 of the Scope of Service or Financial Authority Services; or, the term of this  
27 Agreement, including any extensions thereof, exceeds five (5) years; the  
28

1           AUTHORITY reserves the right to adjust the types of insurance and the  
2           monetary limits of liability required under this Agreement, if in the  
3           AUTHORITY's Risk Manager's reasonable judgment, the amount or type of  
4           insurance carried by the CONSULTANT has become inadequate.

5           6) CONSULTANT shall pass down the insurance obligations contained  
6           herein to all tiers of subcontractors working under this Agreement.

7           7) The insurance requirements contained in this Agreement may be met  
8           with a program(s) of self-insurance acceptable to the AUTHORITY.

9           8) CONSULTANT agrees to notify AUTHORITY of any claim by a third party  
10          or any incident or event that may give rise to a claim arising from the  
11          performance of this Agreement.

12  
13   **24.   General**

14          **24.1** CONSULTANT shall not delegate or assign any interest in this Agreement,  
15          whether by operation of law or otherwise, without the prior written consent of  
16          AUTHORITY.

17          **24.2** Any waiver by AUTHORITY of any breach of any one or more of the terms  
18          of this Agreement shall not be construed to be a waiver of any subsequent or other  
19          breach of the same or of any other term of this Agreement. Failure on the part of  
20          AUTHORITY to require exact, full and complete compliance with any terms of this  
21          Agreement shall not be construed as in any manner changing the terms or estopping  
22          AUTHORITY from enforcement of the terms of this Agreement.

23          **24.3** In the event the CONSULTANT receives payment under this Agreement  
24          which is later disallowed by AUTHORITY for nonconformance with the terms of the  
25          Agreement, the CONSULTANT shall promptly refund the disallowed amount to the  
26          AUTHORITY on request; or at its option the AUTHORITY may offset the amount  
27          disallowed from any payment due to the CONSULTANT.

1           **24.4** CONSULTANT shall not provide partial delivery or shipment of services or  
2 products unless specifically stated in the Agreement.

3           **24.5** The AUTHORITY agrees to cooperate with the CONSULTANT in the  
4 CONSULTANT'S performance under this Agreement, including, if stated in the  
5 Agreement, providing the CONSULTANT with reasonable facilities and timely access to  
6 AUTHORITY data, information and personnel.

7           **24.6** CONSULTANT shall comply with all applicable Federal, State and local  
8 laws and regulations. CONSULTANT shall comply with all applicable AUTHORITY  
9 policies and procedures. In the event that there is a conflict between the various laws or  
10 regulations that may apply, the CONSULTANT shall comply with the more restrictive law  
11 or regulation.

12           **24.7** CONSULTANT shall comply with all requirements of the Occupational  
13 Safety and Health Administration (OSHA) standards and codes as set forth by the U.S.  
14 Department of Labor and the State of California (Cal/OSHA).

15           **24.8** This Agreement shall be governed by the laws of the State of California.  
16 Any legal action related to the performance or interpretation of this Agreement shall be  
17 filed only in the Superior Court of the State of California located in Riverside, California,  
18 and the parties waive any provision of law providing for a change of venue to another  
19 location. In the event any provision in this Agreement is held by a court of competent  
20 jurisdiction to be invalid, void, or unenforceable, the remaining provisions will  
21 nevertheless continue in full force without being impaired or invalidated in any way.

22  
23   **25.   Additional Federal Requirements**

24           Whereas the work may be subject to applicable Federal, State, and local laws  
25 and regulations, including but not limited to, the regulations pertaining to the Community  
26 Development Block Grant program (24 CFR Part 570) and the Uniform Administrative  
27 Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part  
28

1 200). Contractor, sub-contractors, consultants, and sub-consultants agree to comply  
2 with, and are subject to, all applicable requirements as follows:

3       **25.1** Equal Employment Opportunity - Compliance with Executive Order 11246  
4 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by  
5 Executive Order 11375 of October 13, 1967, and as supplemented in Department of  
6 Labor regulations (41 CFR chapter 60): The CONSULTANT shall not discriminate  
7 against any employee or applicant for employment because of race, color, religion, sex,  
8 or national origin. CONSULTANT shall ensure that all qualified applicants shall receive  
9 consideration for employment without regard to race, color, religion, sex or national  
10 origin. The CONSULTANT shall take affirmative action to ensure that applicants are  
11 employed and the employees are treated during employment, without regard to their race  
12 color, religion, sex, or national origin. Such actions shall include, but are not limited to,  
13 the following: employment, up-grading, demotion, or transfer; recruitment or recruitment  
14 advertising; rates of pay or other forms of compensation; and selection for training,  
15 including apprenticeship. The CONSULTANT shall post in a conspicuous place,  
16 available to employees and applicants for employment, notices to be provided by the  
17 County setting forth the provisions of this non-discriminating clause.

18       **25.2** Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c: All  
19 contracts and subgrants in excess of \$2,000 for construction or repair awarded by  
20 recipients and subrecipients shall include a provision for compliance with the Copeland  
21 "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor  
22 regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public  
23 Work Financed in Whole or in Part by Loans or Grants from the United States"). The  
24 Copeland "Anti-Kickback" Act provides that each contractor or subrecipient shall be  
25 prohibited from inducing, by any means, any person employed in the construction,  
26 completion, or repair of public work, to give up any part of the compensation to which he  
27 is otherwise entitled. The recipient shall report all suspected or reported violations to the  
28 U.S. Department of Housing and Urban Development (HUD).

1           **25.3** Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7: When required by  
2 Federal program legislation, all construction contracts awarded by the recipients and  
3 subrecipients of more than \$2000 shall include a provision for compliance with the Davis-  
4 Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor  
5 regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts  
6 Governing Federally Financed and Assisted Construction"). Under the Davis-Bacon Act,  
7 contractors shall be required to pay wages to laborers and mechanics at a rate not less  
8 than the minimum wages specified in a wage determination made by the Secretary of  
9 Labor. In addition, contractors shall be required to pay wages not less than once a week.  
10 The recipient shall place a copy of the current prevailing wage determination issued by  
11 the Department of Labor in each solicitation and the award of a contract shall be  
12 conditioned upon the acceptance of the wage determination. The recipient shall report  
13 all suspected or reported violations to HUD.

14           **25.4** Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through  
15 333): Where applicable, all contracts awarded by recipients in excess of \$2000 for  
16 construction contracts and in excess of \$2500 for other contracts that involve the  
17 employment of mechanics or laborers shall include a provision for compliance with  
18 Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.  
19 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under  
20 Section 102 of the Contract Work Hours and Safety Standards Act, each contractor shall  
21 be required to compute the wages of every mechanic and laborer on the basis of a  
22 standard workweek of 40 hours. Work in excess of the standard workweek is permissible  
23 provided that the worker is compensated at a rate of not less than 1 1/2 times the basic  
24 rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of  
25 the Contract Work Hours and Safety Standards Act is applicable to construction work  
26 and provides that no laborer or mechanic shall be required to work in surroundings or  
27 under working conditions which are unsanitary, hazardous or dangerous. These  
28 requirements do not apply to the purchases of supplies or materials or articles ordinarily

1 available on the open market, or contracts for transportation or transmission of  
2 intelligence.

3 **25.5 Rights to Inventions Made Under a Contract or Agreement:** Contracts or  
4 agreements for the performance of experimental, developmental, or research work shall  
5 provide for the rights of the Federal Government and the recipient in any resulting  
6 invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit  
7 Organizations and Small Business Firms Under Government Grants, Contracts and  
8 Cooperative Agreements," and any implementing regulations issued by HUD.

9 **25.6 Rights to Data and Copyrights:** Contractors and consultants agree to  
10 comply with all applicable provisions pertaining to the use of data and copyrights  
11 pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

12 **25.7 Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution**  
13 **Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and subgrants of amounts  
14 in excess of \$100,000 shall contain a provision that requires the recipient to agree to  
15 comply with all applicable standards, orders or regulations issued pursuant to the Clean  
16 Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended  
17 (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of  
18 the Environmental Protection Agency (EPA).

19 **25.8 Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** Contractors who apply  
20 or bid for an award of \$100,000 or more shall file the required certification. Each tier  
21 certifies to the tier above that it will not and has not used Federal appropriated funds to  
22 pay any person or organization for influencing or attempting to influence an officer or  
23 employee of any agency, a member of Congress, officer or employee of Congress, or  
24 an employee of a member of Congress in connection with obtaining any Federal contract,  
25 grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any  
26 lobbying with non-Federal funds that takes place in connection with obtaining any  
27 Federal award. Such disclosures are forwarded from tier to tier up to the recipient.  
28

1           **25.9** Debarment and Suspension (E.O.s 12549 and 12689): No contract shall  
2 be made to parties listed on the General Services Administration's List of Parties  
3 Excluded from Federal Procurement or Non-procurement Programs in accordance with  
4 E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.  
5 This list contains the names of parties debarred, suspended, or otherwise excluded by  
6 agencies, and contractors declared ineligible under statutory or regulatory authority other  
7 than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall  
8 provide the required certification regarding its exclusion status and that of its principal  
9 employees.

10           **25.10** Drug-Free Workplace Requirements: The Drug-Free Workplace Act of  
11 1988 (42 U.S.C. 701) requires grantees (including individuals) of federal agencies, as a  
12 prior condition of being awarded a grant, to certify that they will provide drug-free  
13 workplaces. Each potential recipient shall certify that it will comply with drug-free  
14 workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part  
15 24, subpart F.

16           **25.11** Access to Records and Records Retention: The CONSULTANT, and any  
17 sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or  
18 County officials or authorized representatives access to the work area, as well as all  
19 books, documents, materials, papers, and records of the CONSULTANT, and any sub-  
20 consultants or sub-contractors, that are directly pertinent to a specific program for the  
21 purpose of making audits, examinations, excerpts, and transcriptions. The  
22 CONSULTANT, and any sub-consultants or sub-contractors, further agree to maintain  
23 and keep such books, documents, materials, papers, and records, on a current basis,  
24 recording all transactions pertaining to this agreement in a form in accordance with  
25 generally acceptable accounting principles. All such books and records shall be retained  
26 for such periods of time as required by law, provided, however, notwithstanding any  
27 shorter periods of retention, all books, records, and supporting detail shall be retained  
28 for a period of at least four (4) years after the expiration of the term of this Agreement.

1           **25.12** Federal Employee Benefit Clause: No member of or delegate to the  
2 congress of the United States, and no Resident Commissioner shall be admitted to any  
3 share or part of this Agreement or to any benefit to arise from the same.

4           **25.13** Energy Efficiency: Mandatory standards and policies relating to energy  
5 efficiency which are contained in the State energy conservation plan issued in  
6 compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

7  
8   **26.   Nonliability of AUTHORITY Officials and AUTHORITY Employees**

9           No member, official employee or consultant of the AUTHORITY shall be  
10 personally liable to the CONSULTANT, or any successor in interest, in the event of any  
11 default or breach by the AUTHORITY for any amount which may become due to the  
12 CONSULTANT or to its successor, or on any obligation under the terms of this  
13 Agreement.

14  
15   **27.   No Third Party Beneficiaries**

16           The parties intend that no rights nor remedies be granted to any third party as a  
17 beneficiary of this Agreement or of any covenant, duty, obligation or undertaking  
18 established herein.

19  
20   **28.   Entire Agreement**

21           This Agreement, including any attachments or exhibits, constitutes the entire  
22 Agreement of the parties with respect to its subject matter and supersedes all prior and  
23 contemporaneous representations, proposals, discussions and communications,  
24 whether oral or in writing. This Agreement may be changed or modified only by a written  
25 amendment signed by authorized representatives of both parties.

26  
27   **29.   Electronic Signature**

1 In the event that any signature is delivered by facsimile or electronic transmission, such  
2 signature shall create a valid and binding obligation of the party executing (or on whose  
3 behalf such signature is executed) with the same force and effect as though such  
4 facsimile or electronic signature page were an original thereof.

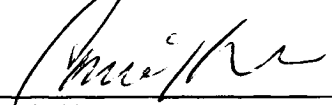
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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the dates set forth below:

**AUTHORITY:**  
HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE, a public entity  
corporate and politic

**CONSULTANT:**  
SMITH MARION & CO., INC., a  
California corporation

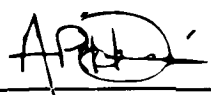
By:   
Carrie Harmon  
Deputy Executive Director

By:   
Douglas Englehart  
Director/Secretary

Dated: 4/22/2022

Dated: 5/5/22

**APPROVED AS TO FORM:**  
County Counsel

By:   
Amrit P. Dhillon,  
Deputy County Counsel



1 a. An audit of the HACR's Annual Financial Report for the purpose of  
2 determining whether or not such financial statements fairly present the financial  
3 position and results of operations of the HACR in accordance with Generally  
4 Accepted Government Accounting Standards (GAGAS) in the United States and  
5 provide for certain required supplementary information (RSI) and other  
6 supplementary information to supplement the basic financial statements. This  
7 may include:

- 8 i. Management discussion and analysis.
- 9 ii. Schedule of surplus cash calculations.
- 10 iii. Consolidated statements of financial position.
- 11 iv. Any other information as required or deemed necessary by the  
12 HACR for better presentation of the HACR's financial statements, in  
13 its sole and absolute discretion.

14 b. An audit of the HACR's financial statements and pertinent documents to  
15 determine whether or not there has been compliance with the provision of the  
16 Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and Public  
17 Law 98-502 (title 31 U.S.C.A. Sections 7501 through 7505 inclusive), referred to  
18 herein as the "Act", and implementing Office of Management and Budget (OMB)  
19 Uniform Guidance (2015-2016).

20 c. An audit of the HACR's internal accounting and administrative controls as  
21 required by the Act and OMB Uniform Guidance (2015-2016) (Single Audit).

22 5. **Reporting:** The CONSULTANT shall submit draft reports to HACR for timely  
23 review prior to the issuance of any final reports.

24 6. **Technical Assistance:** The CONSULTANT will provide technical assistance and  
25 coordinate with the County of Riverside Auditor-Controller's Office as necessary, as  
26 related to the Scope of Services rendered herein.

27 7. **Scheduling of Personnel:** As the CONSULTANT schedules staff to perform  
28 annual services, the CONSULTANT shall give HACR the right, in its sole and absolute  
discretion, to assign the same on-site supervisor(s) for audit engagements so as to  
provide continuity of service performance.

8. **Completion Time Frame:** The FYE 6/30/2022 audit must be performed, and the  
CONSULTANT must provide HACR with a Management Letter (final copy) advising  
HACR of opportunities observed for economy of operations and improvement in internal  
controls no later than September 30, 2022.

9. **Final Audit Report(s):** On or before the actual deadline, as determined by

1 AUTHORITY and/or the County of Riverside, (typically October 15, 2022), the  
2 CONSULTANT will provide copies of all final audit reports to the HACR including, but  
not limited to the following:

3 a. HACR Financial Statements, Proprietary (Enterprise) Fund Type, and  
4 Auditors' Report in accordance with Office of Management and Budget (OMB)  
under the Paperwork Reduction Act of 1995 (44 U.S.C 2501-3520);

5 b. HACR Supplementary Information and Auditors' Report in accordance with  
6 Office of Management and Budget (OMB) under the Paperwork Reduction Act of  
1995 (44 U.S.C 2501-3520);

7 c. HACR Supplementary Information and Auditors' Report (with Financial  
8 Data Schedules per HUD's specifications) in accordance with Office of  
Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44  
9 U.S.C 2501-3520);

10 d. Desert Rose Apartments Financial Statement, Proprietary (Enterprise)  
11 Fund Type and Auditors' Report: Nine (9) bound copies, one (1) unbound and  
12 unstapled copy, and one electronic version in accordance with Office of  
Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44  
13 U.S.C 2501-3520);

14 e. The CONSULTANT shall conduct the audit in full conformance with OMB  
15 Uniform Guidance (2015-2016); and

16 f. Once completed, the CONSULTANT will be required to submit to HACR a  
17 total of 10 copies of the Single Audit Report.

18 g. The CONSULTANT shall perform the agreed upon procedures related to  
19 the Financial Data Schedule (FDS) submission process to the Real Estate  
20 Assessment Center (REAC); and must have obtained the required REAC user  
21 access and Unique Item Identifier. (UII) number from HUD.

22 h. In addition to the audit of the basic financial statements, and the  
23 requirements of the Single Audit Acts and OMB Uniform Guidance (2015-2016),  
24 the CONSULTANT may be required to perform the following:

25 i. Form SF-SAC - The CONSULTANT will also be required to prepare and  
26 electronically submit, by the due date each year, to the Bureau of Census, a Data  
Collection Form (Form SF-SAC) along with the audited financial statements and  
27 comply with all their requirements.

28 10. **Future Deadlines:** Similar deadlines will be established for all work pertaining to  
subsequent FY's ("similar" meaning the calendar month and days will be the same as  
listed herein but the years will adjust accordingly).

11. **Additional Work:** Any other services required by AUTHORITY in connection with  
all audits provided under this Agreement that are not otherwise stated herein.

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**EXHIBIT B**  
**Smith Marion & Co. Proposal in Response to RFP No. 2021-005**  
**(behind this page)**

# ANNUAL AUDIT SERVICES PROPOSAL

SUBMITTED TO:  
HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE

SUBMITTED BY:  
SMITH MARION & CO.  
1940 ORANGE TREE LANE, STE. 100  
REDLANDS · CA · 92374  
T: 909.307.2323  
SMCO.CPA

## PHA TEAM

RFP 2021-005



**SMCO**

Federal I.D. No.: 83-1445511 · CA State Board of  
Accountancy License No.: 8428



## **Tab 1**

Attachment A

Proposal Submittal Checklist

## **Tab 2**

Attachment B

Form of Proposal

## **Tab 3**

Attachment C

Profile of Firm Form

## **Tab 4**

Cover Letter

## **Tab 5**

Qualification and Experience

## **Tab 6**

Proposed Approach

## **Tab 7**

Customer Service

## **Tab 8**

Cost Analysis and Budget for Primary Services

## **Tab 9**

Client References

## **Tab 10**

Equal Employment Opportunity

## **Tab 11**

Attachment G

Form HUD-5369-C


Form 50071

## **Tab 12**

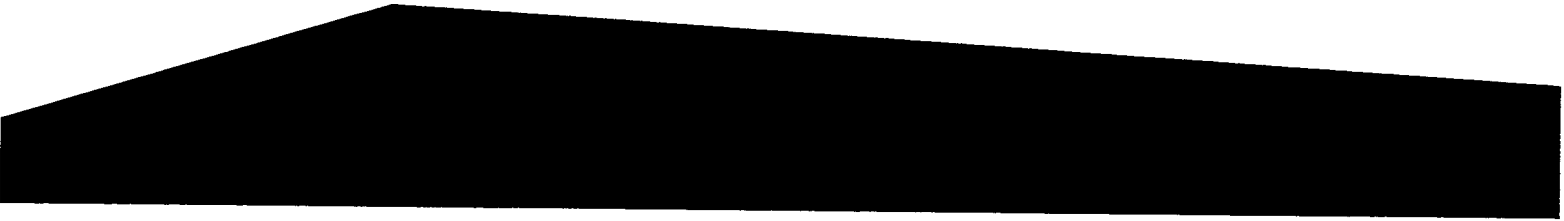
MWBE, Veteran Information, and SDVO (N/A)

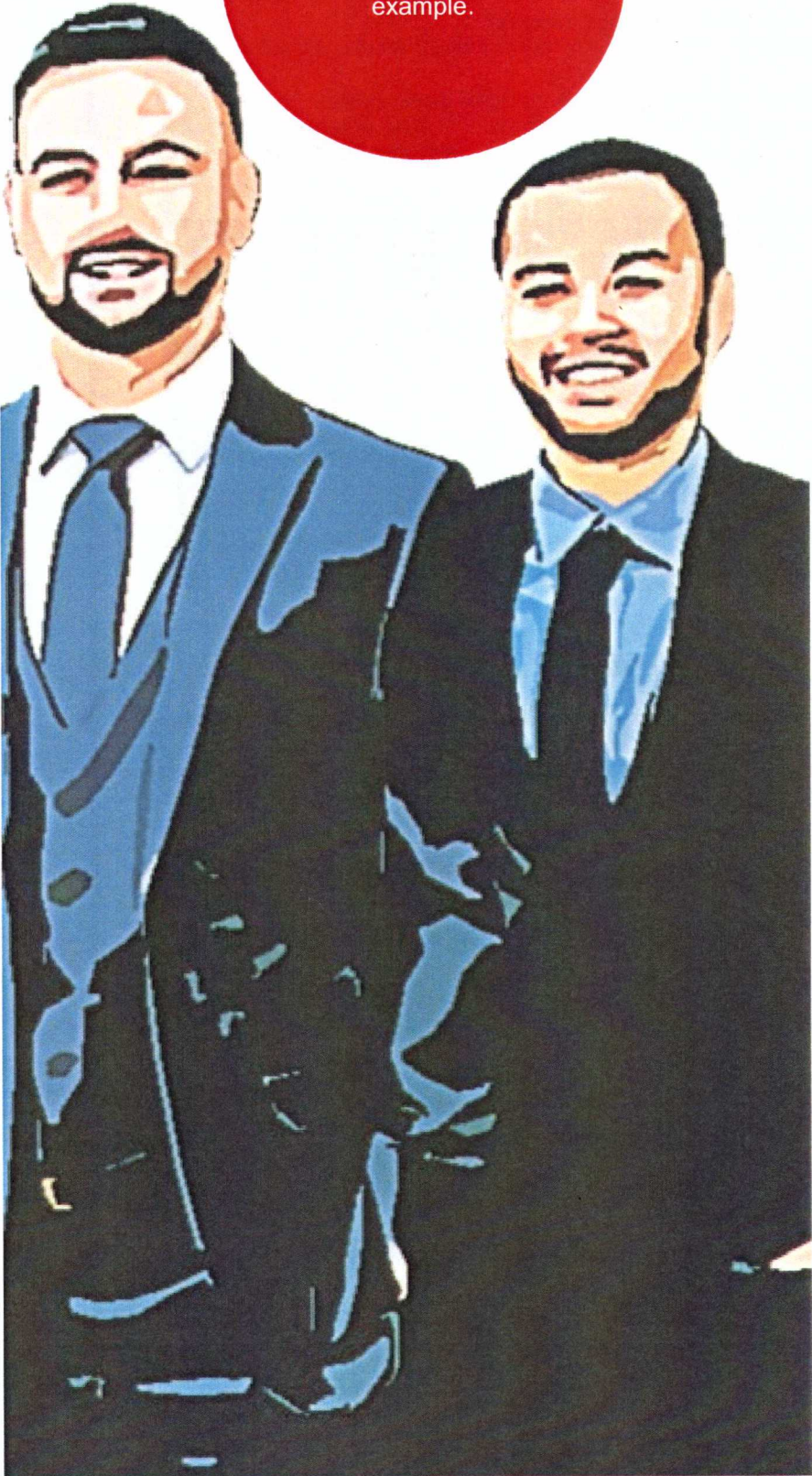
## **Tab 13**

Section 3 Business Preference Documentation (N/A)



# **TABLE OF CONTENTS**





Smith Marion supervisors,  
managers and partners lead by  
example.

**LEAD BY EXAMPLE**



# TAB 1 | PROPOSAL CHECKLIST

**REQUEST FOR PROPOSALS (RFP) NO. 2021-005  
FINANCIAL AUDIT SERVICE**

**ATTACHMENT A**

**"Proposal Submittal Checklist"**

*(This Form must be fully completed and placed under Tab No. 1 of the "hard copy" tabbed proposal submittal.)*

**Instructions:** Unless otherwise specifically required, the items listed below must be completed and included in the proposal. Please complete this form by marking an "X," where provided, to verify that the referenced completed form or information has been included within the "hard copy" proposal submitted by the Firm.

X=ITEM INCLUDED	SUBMITTAL ITEMS <i>(Three copies of each proposal, including one with original signatures)</i>	
<u>  X  </u>	Tab 1	Proposal Submittal Checklist (Attachment A)
<u>  X  </u>	Tab 2	Form of Proposal (Attachment B)
<u>  X  </u>	Tab 3	Profile of Proposer Firm Form (Attachment C)
<u>  X  </u>	Tab 4	Cover Letter
<u>  X  </u>	Tab 5	Qualifications and Experience
<u>  X  </u>	Tab 6	Proposed Approach
<u>  X  </u>	Tab 7	Customer Service
<u>  X  </u>	Tab 8	Cost Analysis and Budget for Primary Services
<u>  X  </u>	Tab 9	References
<u>  X  </u>	Tab 10	Equal Employment Opportunity Policy
<u>  X  </u>	Tab 11	HUD Form 5369-C and 50071 (Attachment F)
<u>  N/A  </u>	Tab 12	MWBE, Veteran Information, and SDVO certification (if any)
<u>  N/A  </u>	Tab 13	Section 3 Forms or Other Company Information (optional)

**FIRM'S STATEMENT**

The undersigned Firm hereby states that by completing and submitting this form and all other documents within this proposal, they are verifying that all information provided herein is, to the best of their knowledge, true and accurate, and that if the HACR discovers that any information entered herein to be false, such shall entitle the HACR to not consider or make award or to cancel any award with the undersigned party.

Further, by completing and submitting the proposal, the undersigned Firm is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by the HACR, including an agreement to execute the HACR Sample Contract, attached to this RFP as Attachment E.

Pursuant to all RFP documents, this Form of Proposal, and all attachments, and pursuant to all completed documents submitted, including these forms and all attachments, the undersigned proposes to supply the HACR with the services described herein for the fee(s) entered herein.

<u>Douglas Englehart</u>	<u>11/21/2021</u>	<u>Douglas Englehart</u>	<u>Smith Marion &amp; Co.</u>
Signature	Date	Printed Name	Company

Smith Marion encourages  
our team members to  
build expertise in their  
field.



**BUILD EXPERTISE**



**TAB 2 | FORM OF PROPOSAL**

**REQUEST FOR PROPOSALS (RFP) NO. 2021-005  
FINANCIAL AUDIT SERVICE**

**ATTACHMENT B**

**FORM OF PROPOSAL**

*(This Form must be fully completed and placed under Tab No. 2 of the "hard copy" tabbed proposal submittal.)*

- A. Form:** Each Firm shall submit their proposed fees on this form only, which shall be completed, signed and returned to the HACR with the completed Proposal.
- B. Entry of Proposed Fees:** Each Firm must enter the proposed fees for each of the following Pricing Items where provided. Such fees shall be all-inclusive of all related costs that the Firm will incur to provide the listed services, including, but not limited to (unless otherwise stated herein): sales tax, employee wages and benefits; clerical support; overhead; profit; licensing; insurance; materials; supplies; tools; equipment; long distance telephone calls; document copying; etc. "No Proposal" is not allowed for any item, although a "No Charge" is allowed for one or more of the Pricing Items.
- C. Pricing Items:**

Item #	QTY.	U/M	Description	Fee
1	1	Each	Firm-fixed Fee (including all expenses), HACR Annual Audit pertaining to FY2022	\$ 51,169
2	1	Each	Firm-fixed Fee (including all expenses), HACR Annual Audit pertaining to FY2023	\$ 52,704
3	1	Each	Firm-fixed Fee (including all expenses), HACR Annual Audit pertaining to FY2024	\$ 54,285
4	1	Each	Firm-fixed Fee (including all expenses), Annual Audit for RCHC pertaining to FY2022	\$ 17,472
5	1	Each	Firm-fixed Fee (including all expenses), Annual Audit for RCHC pertaining to FY2023	\$ 17,996
6	1	Each	Firm-fixed Fee (including all expenses), Annual Audit for RCHC pertaining to FY2024	\$ 18,536
7	20	Hours	Financial Consultant's Fee (for additional work that the HACR will require the successful Firm to provide that is not otherwise stated herein)	\$ 3,000
<b>Total of all Fees/Costs:</b>				<b>\$ 215,162</b>

Date: 11/22/2021 Company: Smith Marion & Co.

Print Name: Douglas Englehart Signature: Douglas Englehart

909-742-4985      909-838-4290      denglehart@smco.cpa  
Office Phone      Mobile Phone      Email Address

Business Address: 1940 Orange Tree Lane, Suite 100, Redlands, CA 92374

At Smith Marion we  
strive to foster  
innovation among our  
team members.



**FOSTER INNOVATION**



**TAB 3 | PROFILE OF FIRM**

**REQUEST FOR PROPOSALS (RFP) NO. 2021-005  
FINANCIAL AUDIT SERVICE**

**ATTACHMENT C**

**“PROFILE OF PROPOSER’S FIRM”**

(This Form must be fully completed and placed under Tab No.3 of the “hard copy” tabbed proposal submittal.)

(1) Name of Firm: Smith Marion & Co. Telephone: 909-825-6600 Fax: 909-825-9900

E-Mail: denglehart@smco.cpa

(2) Street Address, City, State, Zip: 1940 Orange Tree Lane, Suite 100, Redlands, CA 92374

(3) Please attach a brief biography/resume of the company, including the following information:  
(a) Year Firm Established; (b) Former Name and Year Established (if applicable); (c) Name of Parent Company and Date Acquired (if applicable).

(4) Identify Principals/Partners in Firm (submit under Tab No. 5 a brief professional resume for each):

NAME	TITLE	% OF OWNERSHIP
Douglas Englehart	Principal	25%
Chad Porter	Principal	25%

(5) Identify the individual(s) that will act as project manager and any other supervisory personnel that will work on project; please submit under Tab No. 5 a brief resume for each. (Do not duplicate any resumes required above):

NAME	TITLE
Cole Monroe	Manager

(6) Firm Diversity Statement: You must circle all of the following that apply to the ownership of this firm and enter where provided the correct percentage (%) of ownership of each:

Caucasian American (Male) 75 %     
  Public-Held Corporation \_\_\_\_\_ %     
  Government Agency \_\_\_\_\_ %     
  Non-Profit Organization \_\_\_\_\_ %

Resident- (RBE), Minority- (MBE), or Woman-Owned (WBE) Business Enterprise (Qualifies by virtue of 51% or more ownership and active management by one or more of the following:

Resident-Owned\* \_\_\_\_\_ %     
  African American \_\_\_\_\_ %     
  \*\*Native American \_\_\_\_\_ %     
  Hispanic American \_\_\_\_\_ %     
  Asian/Pacific American \_\_\_\_\_ %     
  Hasidic Jew \_\_\_\_\_ %     
  Asian/Indian American \_\_\_\_\_ %

Woman-Owned (MBE) \_\_\_\_\_ %     
  Woman-Owned (Caucasian) \_\_\_\_\_ %     
  Disabled Veteran \_\_\_\_\_ %     
  Other (Specify): \_\_\_\_\_ %

WMBE Certification Number: \_\_\_\_\_

Certified by: (Agency): \_\_\_\_\_

(Note: a certification/number not required to propose – enter if available)

Douglas Englehart 11/22/21  
Signature Date

Douglas Englehart  
Printed Name

Smith Marion & Co.  
Company

**REQUEST FOR PROPOSALS (RFP) NO. 2021-005  
FINANCIAL AUDIT SERVICE**

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- (7) Federal Tax ID No.: 83-1445511
- (8) County of Riverside Business License No.: \_\_\_\_\_
- (9) State of California Business Entity Number (Secretary of State): 8428
- (10) Worker's Compensation Insurance Carrier: Travelers Casualty Ins Co of America  
Policy No.: UB-006P065406 Expiration Date: 04/01/2022
- (11) General Liability Insurance Carrier: Sentinel Insurance Company  
Policy No. 61SBARU3114 Expiration Date: 02/01/2022
- (12) Professional Liability Insurance Carrier: Argonaut Ins Co  
Policy No. 121APL0002161-01 Expiration Date: 10/15/2021
- (13) Has your firm or any member of your firm been a part to litigation with a public entity?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (14) Is your firm currently involved in local, County, State, Federal mortgage foreclosure proceedings or currently 90 days in arrears on a local public or private loan?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (15) Is your firm currently in rem foreclosure or substantial tax arrears with a City/County or local jurisdiction?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (16) Has, or is this firm or any member of your firm currently in default on any contract obligation or agreement of any kind entered into with a City/County or local public agency?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (17) In the past 10 years, has your firm or any member of your firm failed to qualify as a responsible bidder, or refused to enter into a contract after an award has been made, privately or with any government agency?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (18) In the last 7 years, has your firm filed a bankruptcy petition or been the subject of involuntary bankruptcy proceedings?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (19) In the last 10 years, failed to file any required tax returns, or failed to pay any applicable Federal, State of California, or County of Riverside or other fees?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (20) Does your firm or any member of your firm have a record of substantial Building Code Violations or litigation against properties owned by the firm or by any entity or individual that comprises the Firm?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (21) Has your firm or any member of your firm been convicted for fraud, bribery, or grand larceny?  
Yes No  X Initials DE  
If yes, when, with who and state the circumstances and any resolution.
- (22) Has your firm or any member of your firm ever sued or been sued by the Housing Authority of the County of Riverside or its affiliated entities?  
Yes No  X Initials DE  
If yes, when and state the circumstances and any resolution of the lawsuit.

**REQUEST FOR PROPOSALS (RFP) NO. 2021-005  
FINANCIAL AUDIT SERVICE**

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(23) Has your firm or any member of your firm ever had a claim brought against because of breach of contract or nonperformance? Yes No  Initials DE

If yes, when and state the circumstances and any resolution of the matter.

(24) Debarred Statement: Has this firm, or any principal(s) ever been debarred from providing any services by the Federal Government, any state government, the State of California, or any local government agency within or without the State of California? Has this firm been de-designated as a developer of any government sponsored or publicly assisted project? Yes No  Initials DE

If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.

(25) Disclosure Statement: Does this firm or any principals thereof have any current, past personal or professional relationship with any Commissioner or Officer of the HACR? Yes  No  Initials DE

If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.

(26) Non-Collusive Affidavit: The undersigned party submitting this bid hereby certifies that such bid is genuine and not collusive and that said bidder entity has not colluded, conspired, connived or agreed, directly or indirectly, with any proposer or person, to put in a sham proposal or to refrain from proposing, and has not in any manner, directly or indirectly sought by agreement or collusion, or communication or conference, with any person, to fix the proposal price of affiant or of any other proposer, to fix overhead, profit or cost element of said proposal price, or that of any other bidder or to secure any advantage against the HACR or any person interested in the proposed contract; and that all statements in said bid are true.

Initials DE

(27) Verification Statement: The undersigned bidder hereby states that by completing and submitting this bid he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees that if the HACR discovers that any information entered herein is false, that shall entitle the HACR to not consider nor make award or to cancel any award with the undersigned party.

Initials DE

Douglas Englehart 11/22/21  
Signature Date

Douglas Englehart  
Printed Name

Smith Marion & Co.  
Company



The SMCO philosophy is to set personal goals and to challenge yourself daily.

**CHALLENGE YOURSELF**



**TAB 4 | COVER LETTER**



Smith Marion & Co. · Certified Public Accountants

Redlands Office · 1940 Orange Tree Lane, Suite 100 · Redlands, CA 92374 · (909) 307-2323

November 21, 2021

**George Eliseo, Contracting Officer**  
**Housing Authority of the County of Riverside**  
5555 Arlington Avenue  
Riverside, CA 92504

**COVER LETTER**

Thank you for the opportunity to submit our proposal for auditing services to the **Housing Authority of the County of Riverside**. We are interested in performing the required audit services for the year ended June 30, 2022, and the subsequent years.

We believe our firm, Smith Marion & Co., is particularly well qualified to perform this engagement because our Audit Department personnel work almost exclusively performing audits and reviews throughout the year and are knowledgeable about effective audit procedures. Furthermore, in these times of remote audit work our firm is on the leading edge completing 80% of the fieldwork remotely.

We are proud of the services our firm provide and we know you will appreciate our highly professional approach to performing the audit.

We have worked with many of our clients for more than five years. We have the ability and reputation for meeting deadlines for both fieldwork and the preparation and delivery of required reports.

The local office is in Redlands, CA. The firm ranges in size from 30-35 professional staff and 5 support staff. The Audit Department is responsible for audit and review services, management advisory services (including setting up accounting systems), and nonprofit tax filing services.

We are licensed by the Board of Accountancy of California. Neither the firm nor any individual in the firm are debarred, suspended, or otherwise prohibited from the professional practice by any Federal, State or Local agency.

The remaining professional staff employed by the firm are responsible for the firm's tax and monthly write-up services; **keeping the audit staff free from the tax rush and other monthly and quarterly deadlines and dedicated solely to our audit clients!** Our levels of service set us apart from other firms. All audit firms can do the same compliance work. The SMCo difference is the additional services we provide our clients: like our all-inclusive pricing. Not only do we complete the audit, SMCo also assists management in understanding the process. Then management is more informed on HUD reporting and that ever-changing world of Government Auditing Standards (GASB). We also help clients understand the component units and how they are reported. We do not just audit; we provide many levels of service to our clients.

**www.SMCO.cpa**

Brentwood, TN • Lake Arrowhead, CA • Redlands, CA



We work extensively with housing authorities and nonprofits. Our staff is trained and are considered experts in the accounting and tax field of Housing Authorities and their component units. We have the resources and the knowledge to complete the audit in a timely manner while meeting or exceeding your expectations.

### Audit Approach

We are a paperless firm, at the cutting edge of the audit technology curve. Utilizing Computer Assisted Audit Techniques (CAAT) assist us in planning and performing a risk based audit. We also use an electronic organizer to efficiently gather the necessary audit documents prior to arriving on site.

This general approach of obtaining documents allows us to plan the engagement and complete 60-80% of the audit prior to coming on site. This enables us to conduct 100% of the fieldwork in a single block of time. We then return to the office to review, prepare the reports, and complete the administrative portion of our workpapers. This process takes about two weeks, giving you time to locate documents or resolve open questions, if any. We will present a draft copy of the report during this time for your review.

It is our practice to coordinate work with the Housing Authority to ensure all appropriate deadlines are met. Generally, for a Housing Authority of your size we will be able to provide a draft report within 20 days from the start of fieldwork. Assuming there are no problems we will be able to finalize the report within two weeks after the draft is submitted.

We generally expect the Housing Authority staff or the fee accountants to prepare all trial balances and supporting schedules such as bank reconciliations, detailed aged accounts receivables list, detail fixed asset list with depreciation, and detailed list of accounts payable, as a few examples.

We pride ourselves on our customer service but rather than us telling you, we strongly encourage you to call our current clients. We have included several Housing Authority clients that can testify to our commitment to excellence and superior knowledge of the Housing Authority industry across the United States. While qualifications of most firms are very similar how firms conduct their work can differ a great deal. I think you will appreciate our approach and our personnel.

If you have any questions or would like more information regarding our company, please give me a call. Thank you.

Sincerely,

Douglas Englehart, MSA, CPA | Principal  
Smith Marion & Co.  
Certified Public Accountants

We fulfill commitments  
when we say we will do  
something we follow  
through.



**FULFILL COMMITMENTS**



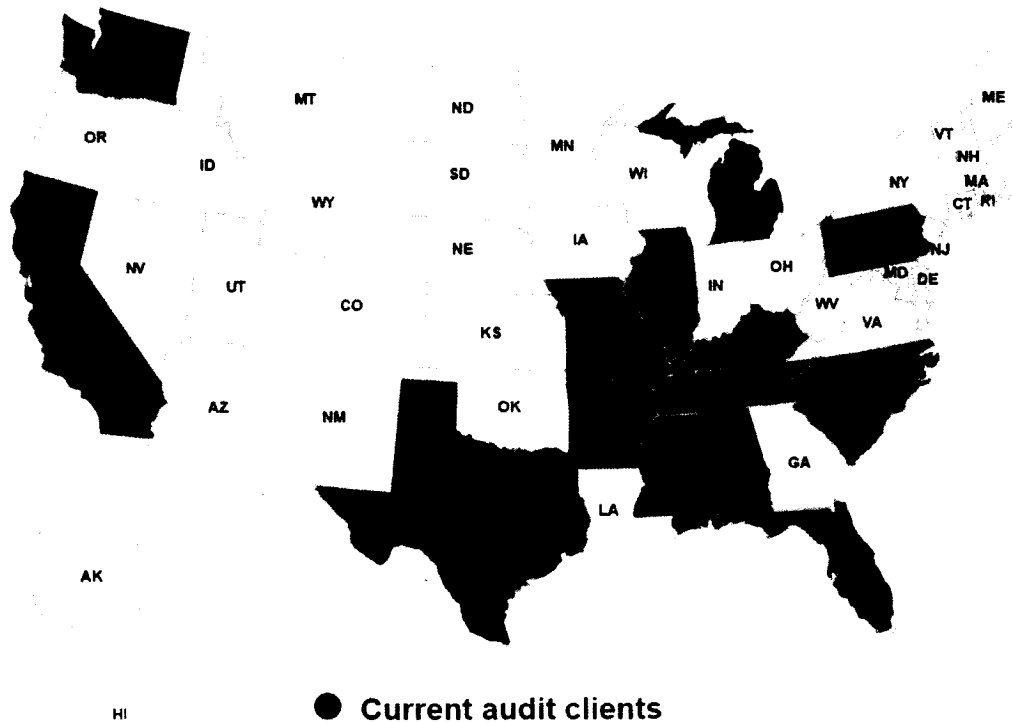
**TAB 5 | QUALIFICATION**

**DEMONSTRATED EXPERIENCE AND DEMONSTRATED  
SUCCESSFUL PAST PERFORMANCE**

Many CPA firms say they work with public housing authorities, but do not have the experience or training that is needed to be a true affordable housing specialist. Smith Marion specializes in the needs of public housing authorities and with our specialized affordable housing team, the HA can expect reliable and expert affordable housing guidance and high-quality auditing services that are efficient, timely and informative.

Illustrated below, we serve public housing authorities across the nation and are well-qualified to provide the required services to the HA.

**Audit Clients 2021**



We believe Smith Marion is a perfect fit for the HA because we provide the following benefits:

### **EXPERIENCE & INVOLVEMENT**

Our history working with public housing authorities allows Smith Marion team to enter the audit with an extensive understanding of your operational environment, meaning minimal disruption to your staff. Additionally, our audit staff work closely along-side our Seniors and Partners, reducing the amounts of time your staff spend explaining the operational environment during the audit.

### **TECHNOLOGY**

We have been using a paperless audit approach for many years. Our audit group is well positioned to work remotely. All our audit workpapers are electronic and we use ZOOM video conferencing and Microsoft Teams to stay connected with our audit teams and with clients. We use an impactful software system called CCH Engagement Organizer (EO). It provides organization and clarity to the process of gathering information, resulting in improved client relationships and increased engagement efficiency. The EO platform combines a dynamic request item list and secure file hosting to deliver a more organized engagement. We utilize RightSignature.com for electronic signatures which eliminates the need for printing and scanning/mailing of engagement letters and management representations.

### **COMMUNICATION**

We communicate promptly on issues affecting the audit in planning meetings, exit conferences, and as they emerge during testing. This promotes a successful engagement.

### **NO HASSLE**

Smith Marion understands the importance of maintaining a high degree of flexibility in our audit plans, modifying them annually as risks change or new HUD requests or requirements are added. Through our experience with public housing authorities like your HA, we will provide quality audits that are flexible in efforts to reduce the hassle and disruption associated with the traditional audits.



## FINANCIAL DATA SCHEDULES EXPERIENCE

Smith Marion has an excellent record of filing housing authority audits timely to HUD.


Furthermore, we are well versed in the distinct requirements of public housing authorities, HUD agencies, and related tax credit and nonprofit entities, including the annual REAC financial data schedule submission.

We regularly assists our public housing authority clients with the audited submission to REAC and are always available to resolve any questions from REAC throughout the process. In addition to performing REAC submissions as the auditor, through our role in providing outsourced CFO services for public housing authorities, we have performed the process from the public housing authority side for multiple clients.

The REAC submission process has evolved over the years with ever increasing scrutiny by HUD as their reviewers better understood GASB based financial reporting, periodic changes in Financial Data Schedule (FDS) line-item definitions, and how the FDS was modified to compensate for a variety of new GASB pronouncements. In addition, the treatment of "unique" transactions, such as RAD, the formation of for-profit entities by public housing authorities, and the combining of public housing authorities when mandated by HUD provides both challenges and opportunities in how the submission to REAC is prepared and submitted. As a result, conditional acceptances and rejections are not uncommon.

Given the complexities of the HA's operations, you need a firm that has experience with these issues from both the auditor and the housing authority perspective and can not only perform the audit, but also provide advice on what has worked and not worked when reporting these activities to REAC.

We are able to provide insights that can help the HA from a practical standpoint.





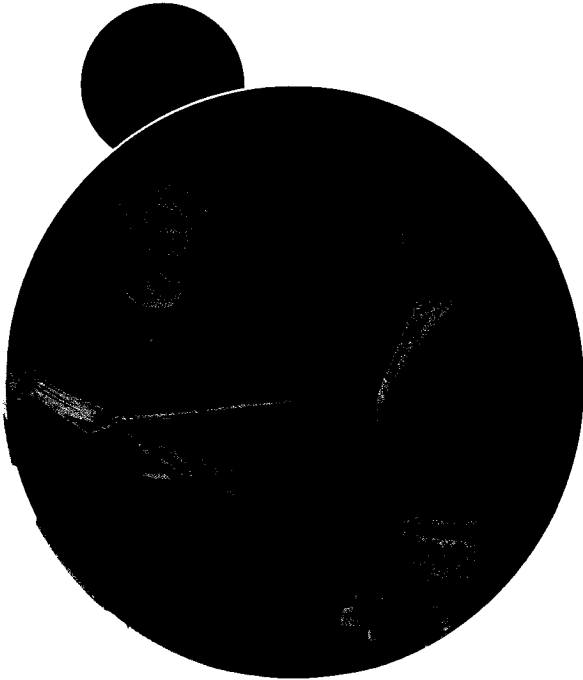
### **PROGRAMS AND ACTIVITIES FUNDED BY HUD EXPERIENCE**

In the ever-changing, government regulated environment of HUD, it is important for the HA to work with professionals who are knowledgeable in this area. The assigned engagement team is not only knowledgeable in this complex area, but they are also active in organizations that promote the development and management of government assisted multi-family housing programs.

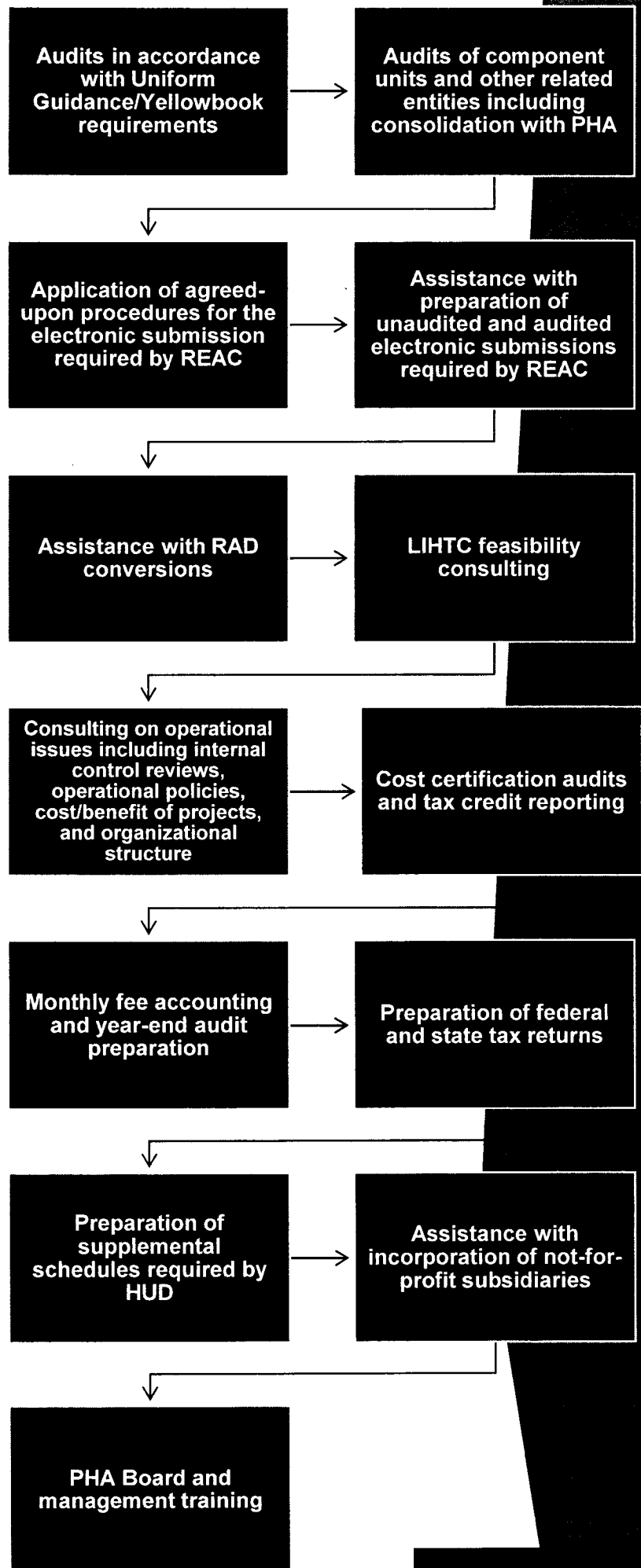
Members of our team have experience with auditing programs, activities, and functions funded by HUD.

### **SINGLE AUDIT EXPERIENCE**

Because we audit so many organizations that require single audits, we are familiar with every federal grant the HA receives and will perform a high-quality audit. We have a great deal of experience auditing programs funded by the federal and state governments.



# SERVICES AVAILABLE





**QUALITY CONTROL**

We are a member of the AICPA's Governmental Audit Quality Center (GAQC) which is primarily focused on ensuring quality standards for governmental audits including single audits, financial statement audits of both nonprofit organizations and governmental entities, and audits performed under the HUD Consolidated Audit Guide. We have committed to adhering to the highest quality standards by voluntarily agreeing to the GAQC's membership requirements. These include designating a partner responsible for the quality of our audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings available.

Smith Marion participates in the AICPA Peer Review Program. Peer reviews are conducted on our audit and other assurance practice by an independent approved CPA peer review firm once every third year. On the following page we have provided a copy of our most recent peer review report which contains an unmodified opinion (Pass).

Our primary goal is to provide quality service to our clients in accordance with the standards of the profession. To accomplish this, we have adopted various policies and procedures that ensure a quality practice. These policies and procedures are monitored through an annual internal inspection program.



Below is a copy of our most recent peer review:



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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### Report on the Firm's System of Quality Control

To the Owners of Smith Marion & Co., Inc.  
and the Peer Review Committee of the Tennessee Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Smith Marion & Co., Inc. (the firm) in effect for the year ended March 31, 2020. 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 (Standards).

A summary of the nature, objectives, scope, limitations of and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

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.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance with the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Smith Marion & Co., Inc. in effect for the year ended March 31, 2020, 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*. Smith Marion & Co., Inc. has received a peer review rating of *pass*.

Circleville, Ohio  
September 4, 2020

*BHM CPA Group, Inc.*

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PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319  
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

[www.bhmcpagroup.com](http://www.bhmcpagroup.com)

## **BACKGROUND AND CURRENT ORGANIZATION**

Smith Marion was established in 1983 in San Bernardino, California. Our growth over the years has been through industry specialization, and although we offer a full spectrum of services typical of a CPA firm to clients in a variety of industries, the primary emphasis of our practice continues to be in providing audit, accounting, tax, and management consulting services to public housing authorities and nonprofit organizations.

## **SIZE OF FIRM**

Smith Marion is a medium-sized firm. Our affordable housing practice is an integral part of our business as we provide accounting, audit, tax, and advisory services to public housing authorities across the nation. As such, we have developed a highly skilled set of expertise.

## **FINANCIAL CAPACITY TO DELIVER THE PROPOSED SERVICES**

Having been in business for over 35 years, we take pride in the fact that Smith Marion operates in a fiscally responsible manner. Through strategic planning and responsible fiscal actions in both good and bad economic times, we have built a solid foundation. We proactively plan for these challenges and continuously monitor both revenues and costs to identify and effect adjustments needed to achieve the desired alignment and maintenance of appropriate financial reserves.

# **MANAGERIAL CAPACITY & FINANCIAL VIABILITY**

# SMITH MARION PHA TEAM AT A GLANCE

**35+**

Years  
serving  
PHAs

**60+**

PHA and  
LIHTC  
Clients



**10**

PHA audit team  
members

**15**

States we  
currently perform  
work for PHAs



Smith Marion has 3 offices in the following locations:



# OFFICE LOCATIONS

## REDLANDS, CA

Kendra Dockham, CPA  
Doug Englehart, CPA, MSA  
Peter Wesch, EA

Public Housing Authorities  
Not-For-Profits  
Tax and Wealth  
Management  
Bookkeeping and Payroll

20+ Staff

## BRENTWOOD, TN

Chad Porter, CPA, CFE

Public Housing Authorities

5+ Staff

## LAKE ARROWHEAD, CA

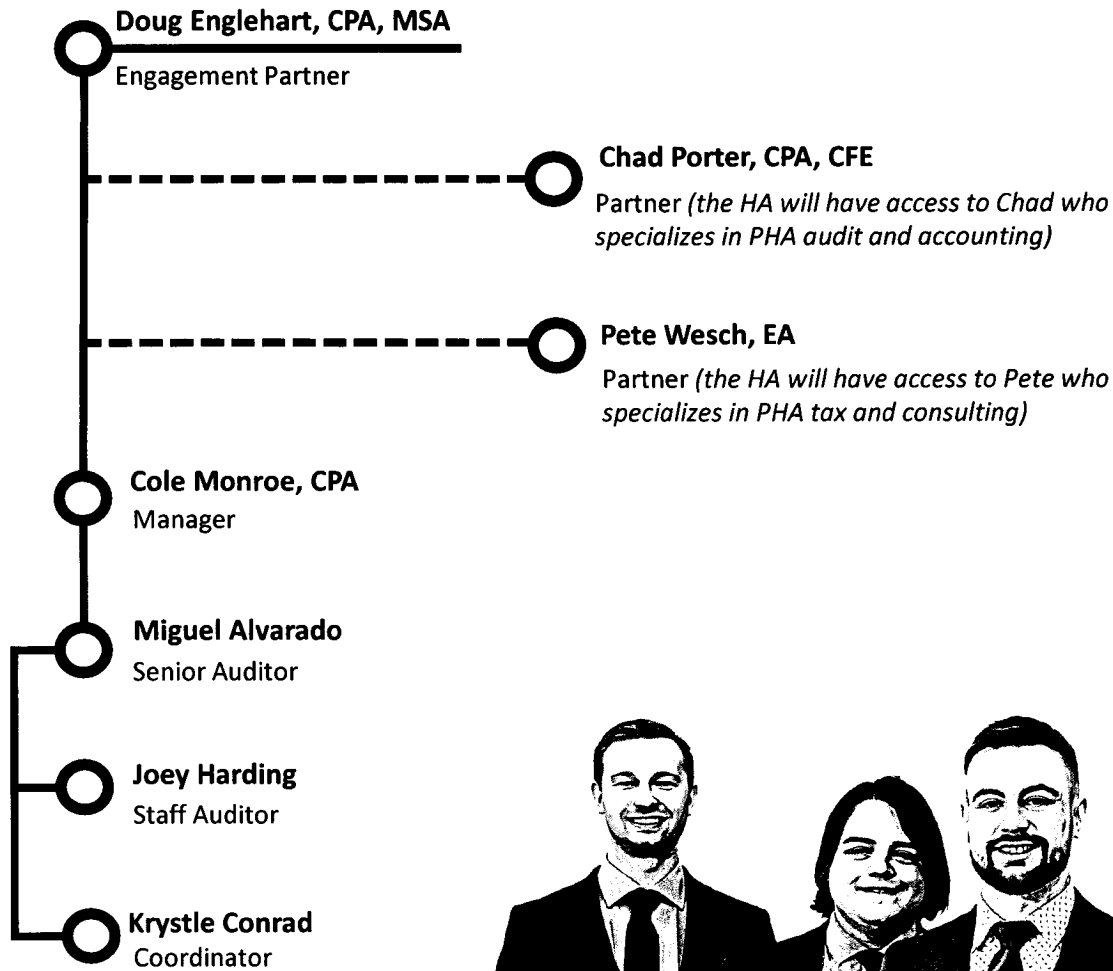
Peter Wesch, EA

Tax and Wealth  
Management  
Bookkeeping and Payroll

5+ Staff

Senior level involvement will be the key to understanding the unique issues relevant to the HA. The engagement partner will have full responsibility for the work performed, including overall management of the engagement, client meetings, and final work documentation files and report review. They will participate in all critical planning, execution, and reporting phases of the engagement.

The following organizational chart illustrates our overall staffing approach for completing the required work:



# ASSIGNED TEAM MEMBERS



The table to the right presents our estimated hours and skill mix for this engagement.

### Estimated Hours & Skill Mix

Staff	80
Partner	40
Manager	40
Senior	60

### STAFF AND MANAGEMENT CONTINUITY

SMCO values staff continuity as an important factor in creating efficiency and effectiveness of the audits we perform, especially within the complex world of HUD regulations and OMB compliance requirements. For that reason, we strive to ensure that you will work with familiar faces from year to year.

We place a high level of importance upon continuity of our engagement team members. We recognize that this is an important factor for you as it limits the amount of “retraining” that needs to be performed each year.

**ESTIMATED HOURS**





# DOUG ENGLEHART

As the Engagement Partner, Doug will be the HA's point of contact. He will be responsible for the overall coordination, supervision, and management of the engagement and ultimately ensuring that your needs and expectations are not only satisfied but exceeded regarding the objectives of the engagement.

“Attention is the simplest and often the most overlooked aspect of our work. Responsiveness and care is what we bring to the table.”

## EDUCATION

Bachelor's Degree - Accounting  
*California State University, San Bernardino*

Master's Degree - Accounting  
*California State University, San Bernardino*

## REPRESENTATIVE CLIENTS

- Housing Authority of the County of San Bernardino (CA) (MTW Agency)
- Housing Authority of the County of Riverside (CA)
- Imperial Housing Authority (CA)
- Housing Authority of the County of San Joaquin (CA)
- Upland Housing Authority (CA)
- Eureka and Humboldt Housing Authorities (CA)
- Sonoma County Development Commission (CA)
- Schertz Housing Authority (TX)
- Kingsville Housing Authority (TX)
- Housing Authority of Salt Lake City (UT)
- Jackson Housing Authority (TN)
- North Charleston Housing Authority (SC)
- Crossville Housing Authority (TN)
- Morristown Housing Authority (TN)
- Housing Authority of the City of Jackson (MS)
- Vicksburg Housing Authority (MS)
- Florence Housing Authority (SC)
- Florence Housing Authority (AL)

Doug works on 20+ PHA & LIHTC clients annually, additional references available upon request.

## At a Glance

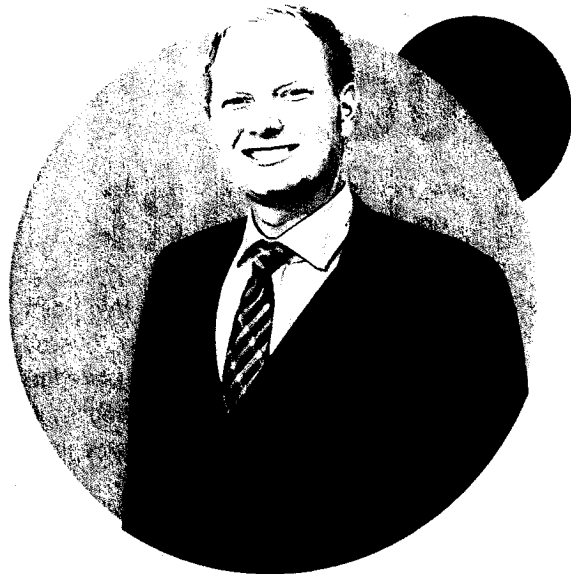
<b>YEARS OF EXPERIENCE</b>	9+
<b>CERTIFICATIONS</b>	CPA
<b>LOCATION</b>	REDLANDS, CA (LOS ANGELES METRO AREA)
<b>SPECIALIZATION</b>	PUBLIC HOUSING   HUD   LIHTC   RAD UNIFORM GUIDANCE   GASB   NPO
<b>CURRENT NO. OF PHA CLIENTS</b>	10+

## BACKGROUND

Doug entered public accounting in 2012 and has experience encompassing audit, accounting, training and consulting services. He has audited a variety of housing agencies including public housing authorities, nonprofits, and Low-Income Tax Credit entities. In addition, he has performed consulting services for housing authorities including assistance with conversion to RAD, work-outs with troubled authorities, negotiation with HUD over findings, clearing REAC rejections with HUD financial analyst and provided training to management and Board members.

Leveraging technology is an area of emphasis for Doug. Utilizing Zoom for meetings and incorporating screen sharing for real-time troubleshooting and communication, he can help his clients navigate complex issues anytime as if he was in their office year-round. Microsoft Teams also plays a key role making Doug easily accessible via instant message.

Doug's principal region of operation is the west coast and southwest.



# COLE MONROE

As the Engagement Manager, Cole will be a key contact for the HA. He will be responsible for developing the work plan, coordinating activities with the audit staff, and aiding the Engagement Partner in the management of the engagement, essentially playing a significant role in ensuring that the needs of the HA are taken care of.

“Delivering value to our clients is what we are known for. We gladly share our expertise and want our clients to look to us for help.”

## At a Glance

<b>YEARS OF EXPERIENCE</b>	7+
<b>CERTIFICATIONS</b>	CPA
<b>LOCATION</b>	BRENTWOOD, TN (NASHVILLE METRO AREA)
<b>SPECIALIZATION</b>	PUBLIC HOUSING   HUD   LIHTC   RAD UNIFORM GUIDANCE   GASB
<b>CURRENT NO. OF PHA CLIENTS</b>	30+

### EDUCATION

Bachelor’s Degree - Accounting  
*Middle Tennessee State University*

Bachelor’s Degree - Economics  
*Middle Tennessee State University*

Master’s Degree - Economics  
*Middle Tennessee State University*

### REPRESENTATIVE CLIENTS

- Housing Authority of Salt Lake City (UT)
- Jackson Housing Authority (TN)
- Dunedin Housing Authority (FL)
- Dearborn Housing Commission (MI)
- North Charleston Housing Authority (SC)
- Crossville Housing Authority (TN)
- Morristown Housing Authority (TN)
- McMinnville Housing Authority (TN)
- Housing Authority of the City of Jackson (MS)
- Vicksburg Housing Authority (MS)
- Florence Housing Authority (SC)
- Florence Housing Authority (AL)
- Cheraw Housing Authority (SC)
- Marlboro County Housing Authority (SC)
- Cleveland Housing Authority (TN)
- Portland Housing Authority (TN)

Cole works on 40+ PHA & LIHTC clients annually, additional references available upon request.

### BACKGROUND

Beginning his career in public accounting in 2014, Cole’s experience in meeting the requirements of GAGAS, HUD audits, and Uniform Guidance is substantive. Cole virtually works exclusively on HA and LIHTC audits year-round. Working with a broad range of HAs has provided Cole with a unique understanding of all things Public Housing. Not only is he knowledgeable in the complex world of affordable housing but is also active in the industry, working with multiple housing authority associations throughout the United States.

Cole is an active participant on all his engagements. This active role helps ensure deadlines are met at minimum cost and disruption to your staff. Perhaps equally important, it means that answers to your questions can be provided quickly, without the cost associated with researching issues, as is often the case with other firms.

Organization and communication are two key values that Cole brings to the table. At Smith Marion he has spear-headed an overhaul of our project management systems, working directly with software developers and coding automations which have resulted in significant improvements in our auditing processes.



# CHAD PORTER

The HA will have access to Chad who specializes in all things related to PHA audits and accounting. This includes GASB and HUD financial reporting as well as compliance matters.

“Client involvement is a high priority. We want to be more than just your auditor; we want to be the first on your list to contact for all questions related to your HA.”

## EDUCATION

Bachelor's Degree - Accounting  
*California State University, San Bernardino*

## REPRESENTATIVE CLIENTS

- Housing Authority of the County of San Bernardino (CA) (MTW Agency)
- Housing Authority of the City of Los Angeles (CA)
- Housing Authority of Salt Lake City (UT)
- Jackson Housing Authority (TN)
- Dunedin Housing Authority (FL)
- Dearborn Housing Commission (MI)
- North Charleston Housing Authority (SC)
- Crossville Housing Authority (TN)
- Morristown Housing Authority (TN)
- McMinnville Housing Authority (TN)
- Housing Authority of the City of Jackson (MS)
- Vicksburg Housing Authority (MS)
- Florence Housing Authority (SC)
- Florence Housing Authority (AL)
- Cheraw Housing Authority (SC)
- Marlboro County Housing Authority (SC)
- Cleveland Housing Authority (TN)
- Portland Housing Authority (TN)

Chad works on 40+ PHA & LIHTC clients annually, additional references available upon request.

## At a Glance

<b>YEARS OF EXPERIENCE</b>	20+
<b>CERTIFICATIONS</b>	CPA   CFE
<b>LOCATION</b>	BRENTWOOD, TN (NASHVILLE METRO AREA)
<b>SPECIALIZATION</b>	PUBLIC HOUSING   HUD   LIHTC   RAD UNIFORM GUIDANCE   GASB   MTW
<b>CURRENT NO. OF PHA CLIENTS</b>	30+

## BACKGROUND

Chad entered public accounting in 1996 and has over 20 years of professional experience encompassing audit, accounting, consulting, and tax services. His industry experience includes governmental clients, clients in the government assisted housing industry, tax credit housing industry, real estate, construction contractors, mortgage lenders and not-for-profits. Chad leads SMC's public housing authority audit practice. In addition to acting as the engagement partner on many public housing authority audits, he performed concurring reviews on virtually all the firm's other public housing authority audits.

Being a regular presenter to many state and national PHA associations, Chad has proven to be a leader on issues related to HUD compliance and GASB reporting. Additionally, he has built a large network of professionals at GASB, HUD, and other PHA industry experts and leaders.

Chad's principal region of operation is the south-east and east coast.



# PETE WESCH

The HA will have access to Pete who specializes in all things related to LIHTC and other PHA development activities. This includes serving as an advisor on negotiating LIHTC/RAD deals, conducting future cash flow projections and feasibility analysis, cost certifications, and all necessary tax filings.

“By taking a proactive and creative approach, we are able to identify potential problems or opportunities and develop strategies without the client needing to identify these themselves.”

## At a Glance

<b>YEARS OF EXPERIENCE</b>	30+
<b>CERTIFICATIONS</b>	EA
<b>LOCATION</b>	REDLANDS, CA (LOS ANGELES METRO AREA)
<b>SPECIALIZATION</b>	PUBLIC HOUSING   HUD   RAD LIHTC   TAX

### REPRESENTATIVE CLIENTS

- Housing Authority of Salt Lake City (UT)
- Jackson Housing Authority (TN)
- North Charleston Housing Authority (SC)
- Crossville Housing Authority (TN)
- Housing Authority of the City of Jackson (MS)
- Vicksburg Housing Authority (MS)
- Florence Housing Authority (SC)
- Cheraw Housing Authority (SC)
- Marlboro County Housing Authority (SC)
- Chattanooga Housing Authority (TN)

### BACKGROUND

Pete has over 20 years of experience helping PHAs address a broad range of organizational and tax issues. His areas of expertise include tax compliance and planning for various types of entities and industries including pass-through (Partnership, S-Corp, LLC), quasi government entities, real estate, and multi-family housing projects.

Pete also specializes in tax compliance and reporting related to federal and state low-income housing credits, efficient tax strategies and planning for the disposition of real estate. In his role, Pete will provide any required consultative services on tax issues and ensure your overall satisfaction with the services you receive from the engagement team.

We have created a culture that is not self-centered but, team centered. At SMCO you grow with your team



**GROW WITH YOUR TEAM**



**TAB 6 | PROPOSED APPROACH**

## Understanding the Scope of Services

Smith Marion understands the scope of services outlined in the RFP.

We understand hiring an audit firm would require a team of auditors to develop an understanding of the HA, its operations, and activities. Given our concentration in the public housing industry, we understand the HA's main sources of revenue and support and the related accounting practices. We will leverage our overall understanding of the industry to specifically tailor our approach by utilizing as a baseline any existing internal control processes, policies, organizational charts, etc., that the HA may have already documented. Understanding the HA's needs and objectives begins with understanding you. The HA requires a firm that is uniquely qualified to address your specific needs.

Following is a brief description of the services required by HA that we will provide for the fiscal years ending June 30, 2022, and subsequent years:

### **FINANCIAL STATEMENT AUDIT**

We will perform a financial audit of the HA's basic financial statements in accordance with auditing standards generally accepted in the United States of America as promulgated by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States of America, for the purpose of expressing an opinion on the fair presentation of its basic financial statements, in conformity of accounting principles generally accepted in the United States of America. In addition, we will perform certain limited procedures involving required supplementary information mandated by the Governmental Accounting Standards Board and other supplementary information. In planning and performing the audit, we will consider the HA's internal controls over financial reporting and will report on internal controls.

### **SINGLE AUDIT**

We will perform a single audit in accordance with the federal Single Audit Act Amendments of 1996; the provisions of the U.S. Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200; and the related compliance supplement for the Single Audits of States, Local Governments and Nonprofit Organizations. We will issue a report on the HA's compliance with applicable laws and regulations on each of its major programs. We will also prepare the "auditor sections" of the data collection form for submission to the Federal Audit Clearinghouse.

**PROPOSED SERVICES**

## HOUSING AND URBAN DEVELOPMENT (HUD) REAL ESTATE ASSESSMENT CENTER (REAC) SUBMISSION

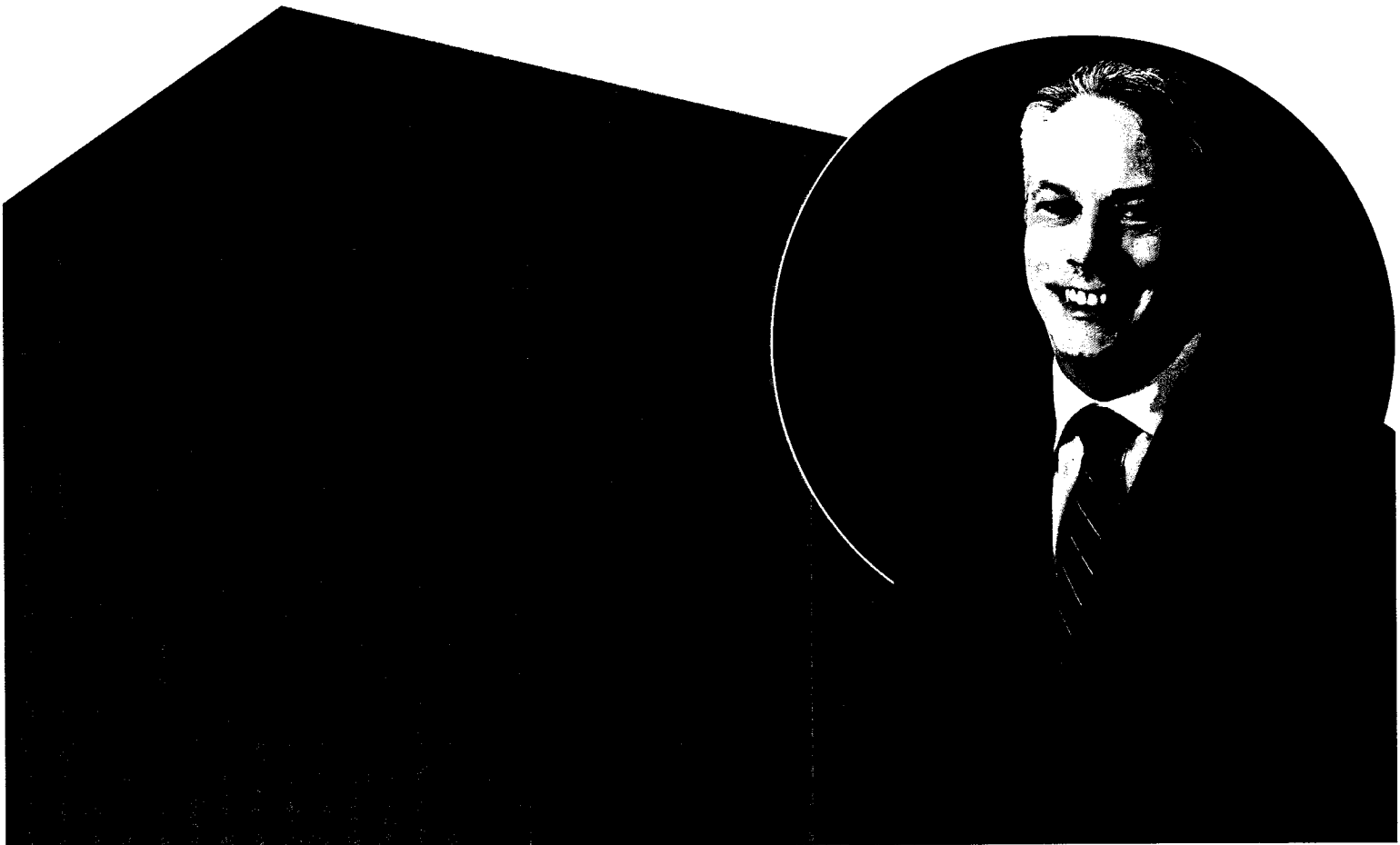
In accordance with the Guidelines for the Public Housing Authorities and Independent Auditors, issued by the U.S. Department of Housing and Urban Development (HUD), we will perform the following:

- Attestation of Financial Data Schedules (FDS) as to its fair presentation in relation to the audited basic financial statements in accordance with the audit provision of the American Institute of Certified Public Accountants (AICPA) Statements of Auditing Standards (SAS) No. 119, Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents.
- Agreed-Upon Procedures under AICPA Statements for Attestation Engagements (SSAE) No. 4, Agreed-Upon Procedure Engagements, where we compare the electronically submitted data to the HUD REAC staging database to certain information in the audited hard copy financial statements and FDS.

### ADDITIONAL ASSISTANCE

We also will perform the following tasks:

- Keep the HA advised of new state and national developments affecting HUD Housing programs' reporting and trends. Be available year-round to advise the HA on various financial issues and to recommend the proper course of action. We would also be pleased to provide you with additional consulting services on an as-needed basis.
- If requested, present the financial statements to management, the Board, and other governing boards.



# FINANCIAL STATEMENT AUDIT APPROACH

Our overall approach to the audit process centers on communication. We work very hard to work cooperatively with clients and are respectful of your time as we recognize that each client to be audited has priorities other than the audit process. We firmly believe that open communication throughout the process is the key to efficient, effective, and timely audits.

## PLANNING

01

We place a heavy emphasis on planning as it is a key factor in providing an effective and efficient audit. Planning includes the following:

- Develop a comprehensive requested items list;
- Establish materiality thresholds;
- Document internal control procedures and policies for critical transaction cycles. During this process, our personnel will conduct in-depth interviews with the HA's personnel responsible for the processing and approval of the various transactions;
- Assess significant risk levels for all audit areas, as well as assess risks at the entity level;
- Establish audit approach and programs; and,
- Plan walkthroughs, observations, or tests of internal controls for all significant audit areas. The extent of these procedures will be determined during the overall planning of our audit approach.

## COMPLIANCE AND INTERNAL CONTROL AUDIT WORK

02

We will perform audit work to assess and document internal controls and organizational risks at an early stage of the audit process, which in turn, allows us to design audit procedures tailored to those risks. We will also gather relevant permanent file documentation during this time. In addition to testing controls and compliance related to major federal programs, we will document and test overall organizational internal controls over processes such as cash disbursements and payroll.

## FIELDWORK AND REPORTING

03

The fieldwork and reporting phases of the engagement will include the following procedures:

- Update planned control reliance based on the results of our internal control audit procedures;
- Perform tests of revenue based on nature and source of support and revenue;
- Confirm relevant asset and liability balances;
- Perform extended audit procedures for support and receivables, while performing other procedures for other balances as we determine necessary;
- Prepare and post any proposed audit adjustments;
- Assess the pervasiveness of any exceptions noted during testing, determine whether any modifications to the audit plan are necessary, and document our findings;
- Obtain and test as necessary information to be included in the footnotes to the financial statements; and,
- Review the financial statements and footnotes; draft audit reports on the financial statements and internal controls and compliance; and draft any other internal control and audit communication letters.

## EXIT CONFERENCE

04

We will meet with the HA to review the financial statements and any findings at the end of fieldwork, as well as answer any questions your team may have.

# COMPLIANCE AUDIT APPROACH

Our compliance audit will focus on testing of internal control and compliance with federal regulations.

## FEDERAL AWARDS COMPLIANCE APPROACH

We at Smith Marion understand HUD compliance testing and specifically the Big 3 PHA programs - Section 8 Housing Choice Vouchers, Public Housing, and the Capital Fund Program. Our streamlined approach to testing these programs is straight-forward and has been developed over the years to be minimally intrusive.

The HA will not have to worry about training our team on HUD compliance auditing.

Although our samples will change from year to year, our testing criteria for each program is based on the HUD compliance supplement which does not frequently change. This means that the HA will know what compliance points we will be testing and what information we will need to review.

**The HA will not receive any surprise findings**, any potential issues noted during our testing will have been clearly and timely communicated to management, allowing them time to review our results and provide them the opportunity to investigate and provide any mitigating information/support that is pertinent to the circumstances.

## SAMPLING APPROACH

Our typical approach is to select samples of 25 - 40 for compliance testing based on the population size and the results of our risk assessment procedures which includes documentation of internal control and controls over compliance. Sample sizes for substantive testing of account balances are based on substantive sampling which again considers risk assessment, but also account balances and other risk factors.

Our sampling approach is typically haphazard selection, however, if the HA has the capability or we can access certain information from the information system, we can use statistical and random sampling which sometimes allows us to reduce the sample size. Because we work with agencies of all sizes, our method for drawing samples for compliance varies. Typically, we request reports to document the population (resident files, inspections, payroll listing, etc.) from which to select.

We will coordinate with HA's management to ensure that our testing, reporting, and electronic submission timeline is mutually agreed-upon and fits the needs of the HA. We are flexible and can work around the schedule of the HA.

Below is a prospective timeline for the audit of the HA:

Audit Timeline	
Planning	Estimated Date(s)
Entrance Conference	June 13, 2022
Perform planning procedures	August 15, 2022
Housing Authority	
On-site year-end interim fieldwork (test of controls)	June 13-16, 2022
On-site year-end financial statement fieldwork	August 15-25, 2022
On-site year-end compliance fieldwork	August 15-25, 2022
Completion	
Exit Conference	August 25, 2022
Review of draft financial statements and Report to Management with management	September 15, 2022
Deliver final financial statements and Report to Management	September 22, 2022
Final HUD Agreed-Upon Procedures (REAC) completed	September 30, 2022
Form SF-SAC submitted	September 30, 2022
Present the final reports to the Board of Directors	TBD
On-Going Services	
Consult with management on business and accounting issues	Year Round

**PROPOSED TIMELINE**

**Note:** We can adjust the above timeline based on the HA's needs. Our experience is that for audits such as that of the HA, it is possible to perform the compliance and financial portions of the audit concurrently effectively and efficiently. The above timeline contemplates completing the compliance and financial portions of the audit concurrently.

If the HA prefers, we can perform the fieldwork in two phases: an interim phase that focuses on internal control and compliance testing, and a year-end phase that focuses on the financial portion of the audit and follow-up on open matters from the interim fieldwork.



Smith Marion supervisors,  
managers and partners lead by  
example.

**LEAD BY EXAMPLE**



**TAB 7 | CUSTOMER SERVICE**

## OVERSIGHT

We will ensure that there is appropriate oversight of the individuals for the HA's audit. The major elements of our management strategy for the HA are:

Selecting the right people for the engagement and providing them with the resources and appropriate level of supervision to succeed;

Ensuring our senior level personnel have an in-depth understanding of the HA and the risks to plan and supervise the engagement accordingly;

Effectively managing potential risks and/or problems;

Developing a well-thought out and researched engagement plan and timeline that takes into consideration the needs of the HA; and

Maintaining continuous communication with the HA during all phases of the engagement.

Our proposed engagement team has the experience necessary to complete the work within the agreed upon schedule and have the resources to efficiently manage this engagement. For a more detail look at the team members please review the resumes. These will be the team members working hand in hand with you.

# TECHNICAL CAPABILITIES & MANAGEMENT PLAN

## LEVEL OF SERVICE

We pride ourselves to go above and beyond what our clients expect and to become more than just their auditor.

We are responsive. New clients are often surprised at the personal service and ease of contact. Our focus is on earning your trust and taking care of your business. Each of our clients receives prompt attention to telephone calls, emails, deadlines, and requests for meetings. We like to keep in close contact with the management and board of director of our clients. Being close to management also provides us with greater knowledge of how and why the business is operating in a certain way or has decided to move in a certain direction.

Furthermore, our senior level staff maintain a high degree of client involvement. We understand that professionals who have gained specific client knowledge through on-site experience are best equipped to serve our clients, so we are committed to returning team members to the same engagements each year. This continuity helps control costs and saves time, by making sure you are working with trusted professionals who have a clear understanding of your goals and strategies.

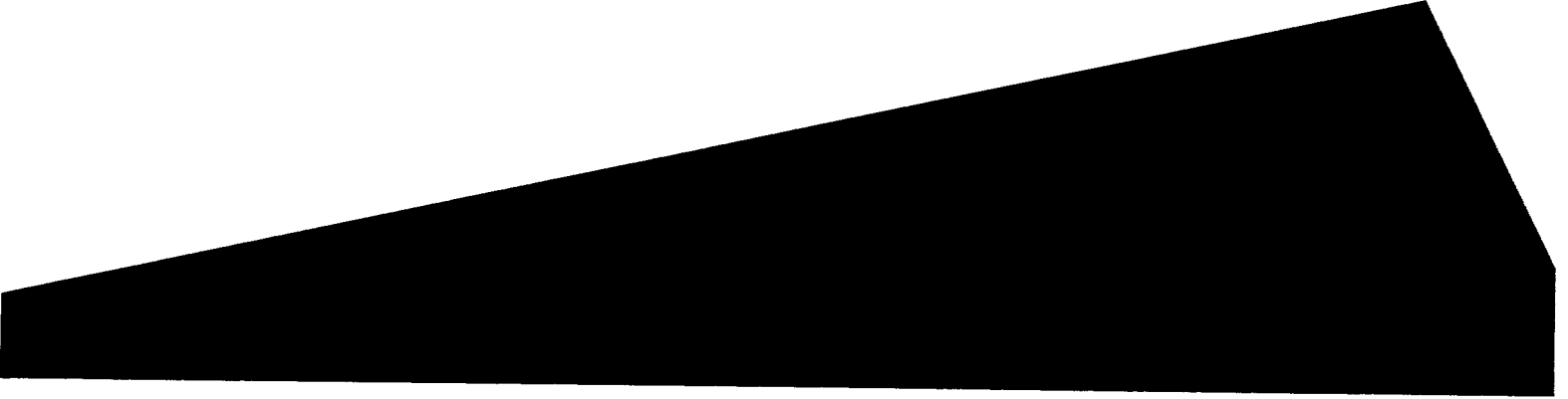




## **CUSTOMER SERVICE**

In the event of an issue arising during the course of the audit, the HA's management will have direct access to the Engagement Partner, Doug Englehart, via his direct cell phone number as well as email and instant messaging via Teams, as well as access to all team members assigned to the engagement. It is our policy to respond within 24-hours at the latest.

Our methodology for resolving issues arising during the audit include immediate and clear communication to the individuals responsible for overseeing the audit, ensuring that they understand the problem encountered and solutions to resolve the issue. HUD requirements and GAAP standards that are cited will be provided to those individuals responsible for overseeing the audit, making sure they have a firm understanding of the regulations and standards. We guarantee no surprise findings will be reported on the HA's financials. Management will have plenty of time to review the issues noted during the audit and compare against the standards, ensuring they are in agreement with the issuance of a finding if necessary.





# TAB 8 | COST

## BUILD EXPERTISE



Smith Marion encourages our team members to build expertise in their field.

## OUR FEE PHILOSOPHY

Smith Marion sets fees to foster long-term client relationships, offering fair, competitive, and up-front fixed fee pricing. With us there is no nickel and diming. **We guarantee there will be no surprise invoices** at the end of the engagement.

Our proposed fees reflect the SMCO Team's experience and knowledge of the industry that cannot be matched. Our proposed I all-inclusive fees for completion of the audit services required by the HA are itemized below.

Attestation (required)	Entity	Proposed Fees		
		FY22	FY23	FY24
Audit of financials in accordance with GAAP.	HACR	\$ 32,283	\$ 33,251	\$ 34,249
Audit in accordance with <i>Government Auditing Standards</i> .	HACR	5,000	5,150	5,305
Audit in accordance with <i>OMB Uniform Guidance</i> (includes one Major Program, each additional Major Program will be a minimum additional \$1,500).	HACR	7,500	7,725	7,957
FASPHA - Audited REAC data input and IPA certification.	HACR	1,500	1,545	1,591
Data input and certification for annual SF-SAC filing.	HACR	525	541	557
Audit of financials in accordance with GAAP.	RCHC	5,322	5,482	5,646
Audit in accordance with <i>Government Auditing Standards</i> .	RCHC	1,500	1,545	1,591
Audit in accordance with <i>OMB Uniform Guidance</i> (includes one Major Program, each additional Major Program will be a minimum additional \$1,500).	RCHC	7,500	7,725	7,957
Data input and certification for annual SF-SAC filing.	RCHC	525	541	557
Audit of financials in accordance with GAAP.	Desert Rose Apartments	4,500	4,635	4,774
Audit in accordance with <i>Government Auditing Standards</i> .	Desert Rose Apartments	1,500	1,545	1,591
Subtotal		67,655	69,684	71,775
<b>Non-Attest Services (proposed)</b>				
Preparation of financial statements and note disclosures.	HACR	2,625	2,704	2,785
Consulting on allocation and booking of CalPERS pension obligation.	HACR	2,500	2,575	2,652
FASPHA - Unaudited REAC data input and submission.	HACR	1,250	1,288	1,326
Preparation of financial statements and note disclosures.	RCHC	1,575	1,622	1,671
Federal and state NFP informational tax return preparation and filing.	RCHC	1,050	1,082	1,114
Federal and state Partnership/Corporation tax return preparation and filing.	Perris Park Apartments	1,736	1,788	1,843
Consultants fees	All	1,000	1,000	1,000
Subtotal		11,736	12,058	12,391
Total before discounts		79,391	81,742	84,166
Client loyalty discount		(8,500)	(8,755)	(9,018)
<b>Total</b>		<b>\$ 70,891</b>	<b>\$ 72,987</b>	<b>\$ 75,148</b>
<b>Additional fees:</b> If additional services needed are identified to be outside the scope of the above services we will immediately inform management and discuss additional pricing prior to providing these services.				

**\*\*Additional Consulting:** If additional consulting is required our rate is \$150 per hour. We can discuss consulting fee ceilings for a particular service that if reached we will notify you and

PROPOSED FEES





## **COST**

Our fees are fixed and all-inclusive for the proposed services. No additional travel costs and/or start-up costs will be invoiced to your HA.





The SMCO philosophy is to set personal goals and to challenge yourself daily.

**CHALLENGE YOURSELF**



# TAB 9 | REFERENCES

## Housing Authority of the County of San Joaquin

### CONTACT

Peter Ragsdale, Executive Director  
Email: pragsdale@hacsj.org | Phone: (209) 460-5000 x 165

### YEARS OF SERVICE

2015 - Present

### SIZE

PH units | 955 HCV units | 5,180

### WORK SUMMARY

Single Audit; NPO; LIHTC; Tax Return

## Imperial Valley Housing Authority

### CONTACT

Kirk Mann, Executive Director  
Email: kmann@ivha.org | Phone: (760) 351-7000 x115

### YEARS OF SERVICE

2008 - Present

### SIZE

PH units | 511 HCV units | 1,726

### WORK SUMMARY

Single Audit; NPO; LIHTC; Tax Return

## Housing Authority of the City of Santa Paula

### CONTACT

Jay Ramsey, Executive Director  
Email: spharmj@aol.com | Phone: (805) 525-3339

### YEARS OF SERVICE

2015 - Present

### SIZE

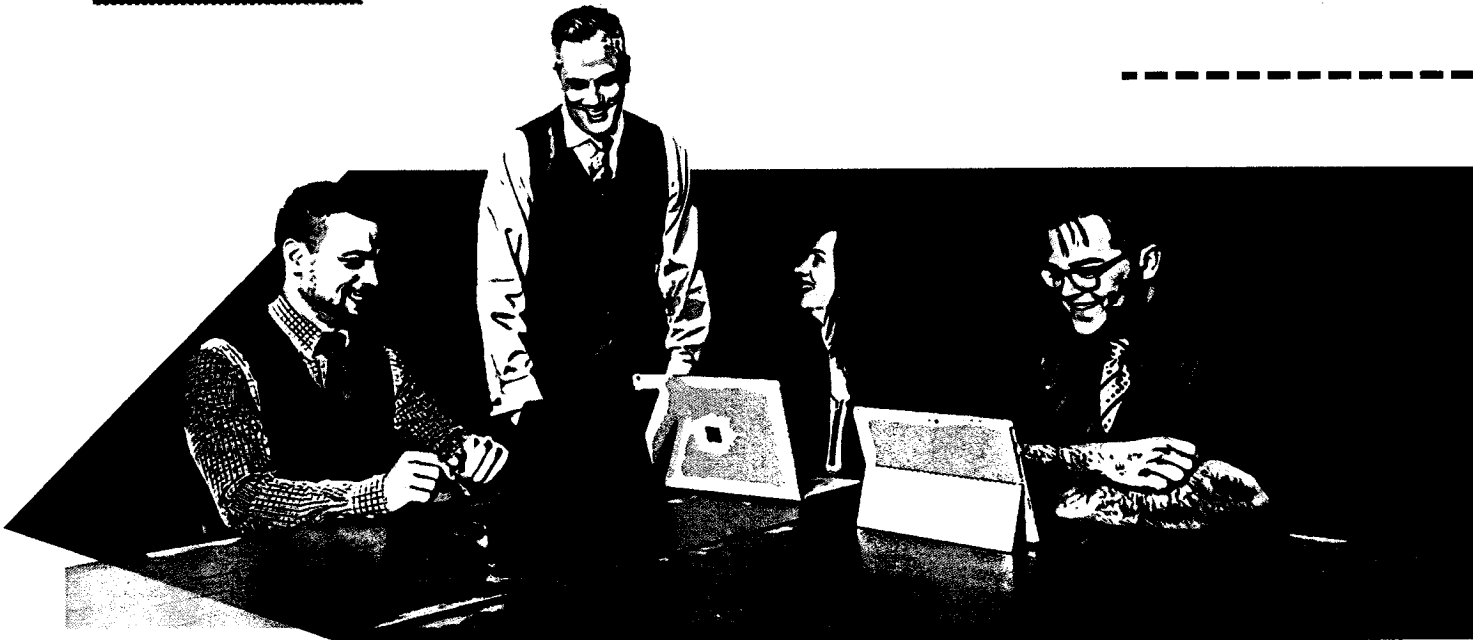
PH units | 0 HCV units | 541

### WORK SUMMARY

Single Audit; NPO; LIHTC; Tax Return

# CLIENT REFERENCES

We encourage you to contact any of our references.



## Housing Authority of the City of Calexico

<b>CONTACT</b>	Teresa Nava, Executive Director Email: <a href="mailto:tnava@calexicohousing.org">tnava@calexicohousing.org</a>   Phone: (760) 357-3013 x12
<b>YEARS OF SERVICE</b>	2005 - Present
<b>SIZE</b>	PH units   258    HCV units   221
<b>WORK SUMMARY</b>	Single Audit

## North Charleston Housing Authority

<b>CONTACT</b>	Jeremy Erling, Executive Director Email: <a href="mailto:jerling@nchashousingauthority.com">jerling@nchashousingauthority.com</a>   Phone: (843) 266-5914
<b>YEARS OF SERVICE</b>	2016 - Present
<b>SIZE</b>	PH (RAD) units   530    HCV units   2,315
<b>WORK SUMMARY</b>	Single Audit; NPO RAD Audit; LIHTC; Bonds; Tax Return

## Housing Authority of the City of Santa Barbara

<b>CONTACT</b>	Bob Pierson, Finance Director Email: <a href="mailto:bpierson@hacsb.org">bpierson@hacsb.org</a>   Phone: (805) 897-1058
<b>YEARS OF SERVICE</b>	2018 - Present
<b>SIZE</b>	PH (RAD)   858    HCV units   2,826
<b>WORK SUMMARY</b>	Single Audit; NPO RAD Audit; LIHTC; Tax Return

# CLIENT REFERENCES

We encourage you to contact any of our references.

We have created a culture that is not self-centered but, team centered. At SMCO you grow with your team



**GROW WITH YOUR TEAM**



**TAB 10 | EEO**

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## EQUAL EMPLOYMENT OPPORTUNITY

Smith Marlon & Co. CPAs is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Firm policy prohibits unlawful discrimination based on race, color, creed, gender, religion, marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

Decisions regarding employment are based solely on legitimate business reasons. Recruiting, hiring, promotion, and transfer decisions are made according to principles of equal opportunity. All other personnel actions, such as compensation, benefits, training and education, and social and recreational programs, are impartial. Smith Marlon & Co. CPAs is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Firm operations and prohibits unlawful discrimination by any employee of the Firm, including supervisors and coworkers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, Smith Marlon & Co. CPAs will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Firm Administrator and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Firm then will conduct an investigation to identify the barriers that interfere with the equal opportunity of the applicant or employee to perform or her job. The Firm will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, Smith Marlon & Co. CPAs will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, submit a written complaint to your supervisor or the Firm Administrator. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. If you need assistance with your complaint, or if you prefer to make a complaint in person, contact the Firm Administrator. The Firm will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If the Firm determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. The Firm will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your coworkers.

Smith Marion supervisors,  
managers and partners lead by  
example.



**LEAD BY EXAMPLE**



**TAB 11 JHUD FORMS**

# Certifications and Representations of Offerors Non-Construction Contract

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offers to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

## 1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1)  has,  has not employed or retained any person or company to solicit or obtain this contract; and
- (2)  has,  has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

## 2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a)  is,  is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b)  is,  is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c)  is,  is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- |   |   |
|---|---|
| <input type="checkbox"/> Black Americans    | <input type="checkbox"/> Asian Pacific Americans  |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans   |
| <input type="checkbox"/> Native Americans   | <input type="checkbox"/> Hasidic Jewish Americans |

## 3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization):
- (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

#### 4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

#### 5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

#### 6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

#### 7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

*Douglas Englehart*

11/22/2021

Typed or Printed Name:

Douglas Englehart

Title:

Principle

**Certification of Payments to Influence Federal Transactions**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

Applicant Name

Smith Marion & Co

Program/Activity Receiving Federal Grant Funding

HUD

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement, and the entering into, Federal grant, the making of any Federal loan, the entering into, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompanying herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name of Authorized Official <b>Douglas Englehart</b>	The <b>Principle</b>
---	-------------------------

Signature  
Date (mm/dd/yyyy)  
**11/22/2021**

# TAB 12 | MWBE, VET, AND SDVO

## BUILD EXPERTISE



Smith Marion encourages our team members to build expertise in their field.

**NO INFORMATION IS BEING PLACED  
UNDER THIS  
TAB**

At Smith Marion we  
strive to foster  
innovation among our  
team members.



**FOSTER INNOVATION**



**TAB 13 | SECTION 3**

NO INFORMATION IS BEING PLACED  
UNDER THIS  
TAB



## OUR SHAREHOLDERS

From left to right: CEO Chad Porter CPA, CFE, Kendra Dockham CPA, Doug Englehart CPA, MSA, & CFO Pete Wesch EA

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EXHIBIT C  
Form HUD 5369 - C  
(behind this page)

**Certifications and  
Representations  
of Offerors  
Non-Construction Contract**

**U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing**

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offers to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

**1. Contingent Fee Representation and Agreement**

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1)  has,  has not employed or retained any person or company to solicit or obtain this contract; and
- (2)  has,  has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

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- (a)  is,  is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b)  is,  is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c)  is,  is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

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|---|---|
| <input type="checkbox"/> Black Americans    | <input type="checkbox"/> Asian Pacific Americans  |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans   |
| <input type="checkbox"/> Native Americans   | <input type="checkbox"/> Hasidic Jewish Americans |

**3. Certificate of Independent Price Determination**

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);  
(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

**4. Organizational Conflicts of Interest Certification**

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

**5. Authorized Negotiators (RFPs only)**

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

**6. Conflict of Interest**

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

**7. Offeror's Signature**

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

*Douglas Englehart*

11/22/2021

Typed or Printed Name:

Douglas Englehart

Title:

Principle

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**EXHIBIT D**  
**Form HUD 5370 C1**  
**(behind this page)**

# General Conditions for Non-Construction Contracts

## Section I – (With or without Maintenance Work)

### U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

**Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:**

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$100,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 968.105) **greater than \$2,000 but not more than \$100,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$100,000 – use Sections I and II.**

### Section I - Clauses for All Non-Construction Contracts greater than \$100,000

#### 1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

#### 2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

#### 3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

#### 4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

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- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
- (i) appeals under the clause titled Disputes;
  - (ii) litigation or settlement of claims arising from the performance of this contract; or,
  - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

#### 5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

#### 6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

#### 7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

#### 8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

#### 9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

#### 10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

#### 11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
- (i) Award of the contract may result in an unfair competitive advantage; or
  - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

#### 12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

### 13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

### 14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

### 15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

- (i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
- (ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

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## 16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

## 17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

## 18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

## 19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

## 20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

## 21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

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apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

## **22. Procurement of Recovered Materials**

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

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**EXHIBIT E**

**Form HUD 50071**

**(behind this page)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

### Certification of Payments to Influence Federal Transactions

Applicant Name

Smith Marion & Co

Program/Activity Receiving Federal Grant Funding

HUD

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of any Federal contract, the making of any Federal grant, the making of any Federal loan, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract.
  - (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-ILL, Disclosure Form to Report Lobbying, in accordance with its instructions.
  - (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompanying herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Douglas Englehart
Title	Principle
Signature	<i>Douglas Englehart</i>
Date (mm/dd/yyyy)	11/22/2021