

**Revised October 21, 2005**  
**See Part II-8. M/W/DBE Participation**

**REQUEST FOR PROPOSALS FOR**  
**Construction Auditing Services**

**ISSUING OFFICE**  
**Operations Review Department**

**RFP NUMBER**

**05-105-3237**

**DATE OF ISSUANCE**

**October 19, 2005**

**REQUEST FOR PROPOSALS FOR  
Construction Auditing Services**

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**APPENDIX A, STANDARD CONTRACT TERMS AND CONDITIONS**

## PART I

### GENERAL INFORMATION FOR CONTRACTORS

**I-1. Purpose.** This request for proposals (RFP) provides interested contractors with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for Construction Auditing Services.

**I-2. Issuing Office.** This RFP is issued for the Commission by the Operations Review Department, P.O. Box 67676, Harrisburg, Pa. 17106, Project Manager: Randall L. Mellinger, email [rmelling@paturndpike.com](mailto:rmelling@paturndpike.com) Fax Number 986-8705. The Issuing Office is the sole point of contact in the Commission for this RFP.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** Determine the accuracy, efficiency and quality of management controls related to specific construction projects or related activities as assigned. (See Part IV for Detailed Work Statement).

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be an Open-End Agreement and will contain the Standard Contract Terms and Conditions shown in Appendix A. The Commission may in its sole discretion undertake negotiations with contractors whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing contractors.

**I-7. Subcontracting.** Any use of subcontractors by a contractor must be identified in the quote. During the contract period use of any subcontractors by the selected contractor, that were not previously identified in the quote, must be approved in writing by the Commission prior to any work being done.

A firm that responds to this solicitation as a prime may not be included as a designated sub consultant to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated sub consultant to more than one prime consultant responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs incurred by contractors prior to issuance of a contract.

**I-9. Questions and Answers.** Written questions should be submitted to the Issuing Office at the email address indicated above to be received no later than **November 1, 2005**. All questions and written answers will be issued as an addendum to and become part of this RFP.

**I-10 Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the website under the original RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to assure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's **Contract Administration Department, Attention George Hatalowich**, on or before **12:00 Noon, local time, Tuesday, November 22, 2005**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Blvd., Middletown, PA 17057. Please note that use of **U.S. Mail delivery does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals.** If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the contractors are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, contractors should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **7 copies** to the Contract Administration Department. No other distribution of proposals will be made by the contractor. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the contractor to its provisions. For this RFP, the proposal must remain valid for at least 60 days. Moreover, the contents of the proposal of the selected contractor will become contractual obligations if a contract is entered into.

Each and every contractor submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the contractor chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a contractor or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the contractor's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Contractors who submit proposals may be required to make an oral or written clarification of their proposals to the Commission to ensure thorough mutual understanding and contractor responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

**I-15. Best and Final Offers.** To obtain best and final offers from contractors whose proposals are determined by the Commission, in its sole discretion, to be reasonably susceptible of being selected for award, the Commission may (a) enter into discussions; (b) schedule oral presentations; and (c) request revised proposals.

**I-16. Prime Contractor Responsibilities.** The selected contractor will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected contractor to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a contract is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing contractors at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

**I-18. Debriefing Conferences.** Contractors whose proposals are not selected will be notified of the name of the selected contractor and will be given the opportunity to be debriefed. The Issuing Office will schedule the time and location of the debriefing. The contractor will not be compared with other contractors, other than the position of its proposal in relation to all other proposals for each criterion for selection.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, contractors must provide all services to complete the identified work. The Commission will assign one Operations Review Department manager to serve as the Commission's Project Manager and one Engineering staff member to serve as the Engineering Department's coordinator. The Commission will also provide reasonable office space and logistical support. Any space and support requirements must be included in the Contractor's proposal.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end two years from that date. The Effective Date shall be fixed by the Commission after the contract has been fully executed by the contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Contractor's Representations and Authorizations.** Each contractor by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the contractor in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other contractor or potential contractor.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a contractor or potential contractor, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the contractor, the contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the contractor in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the contractor and except as otherwise disclosed by the contractor in its proposal, the contractor has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the contractor that is owed to the Commonwealth.

- h. The contractor is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the contractor cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The contractor has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each contractor, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

**PART II**  
**INFORMATION REQUIRED FROM CONTRACTORS**

Contractor proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Sections II-1 through II-8 hereof; (ii) Cost Submittal, in response to Section II-9 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the contractor's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the contract.

The Commission may make such investigations as deemed necessary to determine the ability of the contractor to perform the work, and the contractor shall furnish to the Commission all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such contractor fails to satisfy the Commission that such contractor is properly qualified to carry out the obligations of the agreement and to complete the work specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained.

**II-4. Prior Experience.** Include experience in Construction Auditing or related areas of expertise. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-5. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in Construction Auditing or related areas of expertise. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-6. Training.** If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

**II-7. Objections and Additions to Standard Contract Terms and Conditions.** Contractor will identify which, if any, of the terms and conditions contained in Appendix A it objects to and what additional terms and conditions contractor requires. Contractor's failure to object or to request additions will result in its waiving its right to do so later, but the Commission may consider late objections and addition requests if it is in the best interest of the Commission to do so.

**II-8. M/W/DBE Participation.** The PTC is committed to the inclusion of small, disadvantaged, minority, and woman firms (herein after called "minorities") in its contracts. Proposed minority firms must be certified at the time of the submission of the proposal. "Certified" means a firm certified by any of the following agencies:

**PA Unified Certification Program, DBE Certification,** Comprised of:

- Allegheny County, Office of Minority, Women and Disadvantaged Business Enterprises
- City of Philadelphia, Minority Business Enterprise Council
- Pennsylvania Department of Transportation, Bureau of Equal Opportunity
- Port Authority of Allegheny County, Office of Equal Opportunity
- Southeastern Pennsylvania Transportation Authority, Small & Disadvantaged Business Utilization Department

**United States Small Business Administration**-certified small disadvantaged businesses 8(a) small disadvantaged business concerns

**Pa Department of General Services Certification**

If further information is desired concerning DBE/MBE/WBE participation, direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 ext. 4241.

**II-9. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **This portion of the proposal must be bound and sealed separately from the remainder of the proposal.** The total cost you are proposing must be broken down into the following components:

- a. **Direct Labor Costs.** Itemize so as to show the following for each category of personnel with a different rate per hour:
  - (1) Category: e.g., partner, project manager, analyst, senior auditor, research associate.
  - (2) Rate per hour.
- b. **Labor Overhead.** Specify what is included and rate used.
- c. **Travel and Subsistence.** Itemize transportation, lodging and meals per diem costs separately.

- d. **Cost of Supplies and Materials.** Itemize.
- e. **Other Direct Costs.** Itemize.
- f. **Fee or Profit.**
- g. **Total Cost.**

**Only work satisfactorily performed after execution of a written contract, after the contractor's receipt of a notice to proceed from the Commission and after the contract term has begun will be reimbursed.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must be (a) timely received from a contractor; (b) properly signed by the contractor; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

**III-2.** Proposals will be reviewed and evaluated by a committee of qualified personnel selected by the Commission. This committee will recommend for selection the proposal which most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a contractor determined to be responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-3.** The following areas of consideration will be used in making the selection:

**a. Understanding the Problem.** This refers to the contractor's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

**b. Contractor Qualifications.** This refers to the ability of the contractor to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the contractor. This also includes the contractor's financial ability to undertake a project of this size.

**c. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the contractor. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

**d. Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the study/service. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

**e. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

**a. General.** The objective of this open-end agreement is to determine the accuracy, efficiency and quality of management controls relating to the Commission's current construction management and payment processes for specific construction projects selected by the PTC's Construction Auditing Services Committee (CASC) for review. Work will be performed in accordance with negotiated work orders as assigned by the CASC.

**b. Specific.**

The specific objectives of this proposal shall include:

- Supporting the project selection process by providing an objective selection methodology and criteria for identifying projects most appropriate for audit.
- Assisting the Committee in the selection process as requested.

For all projects selected for review,

- Determine compliance with PTC standards, policies and procedures.
- Determine if item quantities paid as reflected on the approved contractor invoices and change orders accurately reflect actual work performed.
- Determine if approved change orders are appropriate and necessary.
- Determine if force account work is adequately recorded and documented.
- Determine if materials and supplies used on the project meet quality and other required standards and specifications.
- Evaluate the level and adequacy of project management and/or inspection standards used on the project.
- Evaluate of the level and adequacy of the quality assurance and quality control measures used on the project.

#### IV-2. Nature and Scope of the Project.

The scope of this project shall include:

- Identifying active and/or recently completed PTC construction projects for review.
- Scheduling the performance of these reviews with the CASC and appropriate project staff.
- Reviewing all relevant project material and interviewing key PTC personnel to gain an understanding of expected on-site conditions such as records, personnel, authority levels and inspection/approval requirements.
- Inspection and field audit/review of designated construction and material supplier sites used by the Commission.
- Develop findings and recommendations based on an evaluation of audit test work.

### **IV-3. Requirements.**

All work included in this project shall be performed in accordance with Generally Accepted Auditing Standards for Construction Contracts. Work must be completed in accordance with the specific audit scope, objectives, and schedules contained in the assigned work orders.

### **IV-4. Tasks.**

- Propose selection criteria for the identification of active and/or recently completed construction projects for audit.
- Assist the CASC in the selection of construction projects for review.
- Prepare and submit proposed audit scope, program, schedule and cost to the CASC for review and approval
- Perform audit test work of construction documentation at designated construction sites along the Turnpike system.

Deliverable- Individual audit reports for each construction project selected for review.

**IV-5. Reports and Project Control.** The consultant shall conduct periodic status meetings with Commission's Construction Auditing Services Committee. On-site progress reviews will also be conducted by PTC Engineering, Operations Review and Michael Baker Jr. staff as required.

This AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2005, between the **Pennsylvania Turnpike Commission (“COMMISSION”)**, an instrumentality of the Commonwealth of Pennsylvania, with principal offices at Middletown, Pennsylvania (mailing address: P. O. Box 67676, Harrisburg, PA 17106-7676; physical address: 700 Eisenhower Blvd, Middletown, PA 17057),

AND

\_\_\_\_\_ (“**CONTRACTOR**”), [insert the legal status of CONTRACTOR such as a **Pennsylvania (or foreign) corporation (or partnership, LLC, LLP, etc.)**], with its principal office at [insert address]

WITNESSETH:

**WHEREAS**, the **COMMISSION** desires to . . . [describe the specific PTC purposes, goals, assumptions, underlying facts, or contractor's representations that are the basis of the bargain, etc.]

**WHEREAS**, by Act No. 211 of the General Assembly of the Commonwealth of Pennsylvania, approved May 21, 1937, and its amendments, the **COMMISSION** is authorized and empowered to enter into a contract with **CONTRACTOR**;

**WHEREAS**, the **COMMISSION** desires to retain the services of **CONTRACTOR** upon the following terms; and

**NOW, THEREFORE**, in consideration of these mutual covenants, and intending to be legally bound, the parties agree as follows:

Definitions

[This section is for terms that have a special meaning for this agreement or that are used in a way different from everyday or common usage.]

Contractor’s Scope of Work

[There should be a document that specifies what we expect from the Contractor (such as deliverables; schedules and deadlines; representations or warranties; conditions or covenants; location of the work; use of specific persons; standards of performance; insurance requirements). This document must be made part of the Agreement (either as an exhibit which is attached or by referring to it in the Agreement without attaching it)].

The **CONTRACTOR** will perform the work described in [identify the document/RFP#] dated [date], titled [title] and the **CONTRACTOR’S** proposal dated [date]. This document is [SELECT ONE: attached as Exhibit \_ and made a part of this Agreement OR made part of this Agreement by reference].

### Commission's Responsibilities

The **COMMISSION** shall furnish the **CONTRACTOR** access to key personnel, relevant documents, and adequate workspace for completing the work.

### Compensation

For the work, services, and material as defined in this Agreement, the **CONTRACTOR** shall be paid \_\_\_\_\_ and \_\_\_/100 DOLLARS (\$\_\_\_\_\_). **[Specify whether the compensation method is hourly, cost reimbursement, lump sum, etc.]**

### Duration of Agreement [and Renewal]

The term of this Agreement is **[term]**. The term may be extended for **[number]** additional years by a writing signed by both parties. **[or The term may be extended by the COMMISSION in the form of a letter signed by the Chief Executive Officer, which will become part of this agreement.]**

This Agreement will not terminate until the **COMMISSION** accepts all work as complete and tenders final payment to the **CONTRACTOR**.

### Termination

Either party may terminate this agreement at any time upon thirty- (30) calendar days written notice. If this notice is given, the **CONTRACTOR** shall be paid only for the services already rendered upon the date of the notice and for the services rendered to the date of termination, subject to all provisions of this agreement. The notice will be effective on the date of receipt. The right to cancel may be exercised as to the entire project, or as to any particular phase or phases, part or parts, and upon one or upon several occasions, but any termination may not be revoked except upon written consent of the parties through a supplemental agreement to this agreement.

### Assignment and Delegation

The **CONTRACTOR** may not transfer, assign, or delegate any terms of this contract, in whole or in part, without prior written permission from the **COMMISSION**.

The **CONTRACTOR** shall not engage the services of any person or persons now employed by the Commission except with the **COMMISSION's** approval.

### Governing Law

This agreement will be interpreted according to the laws of the Commonwealth of Pennsylvania.

### Observance of Laws

The **CONTRACTOR** agrees to observe all relevant federal, state, and local laws and to obtain in its name all necessary permits and licenses.

### Work for Hire

Except for hardware, third party licensed software, and software previously developed by **CONTRACTOR**, all Deliverables, including but not limited to source code, software, specifications, plans, designs and engineering, drawings, data, information or other written, recorded, photographic, or visual materials, trademarks, service marks, copyrights or other Deliverables produced by **CONTRACTOR** or any supplier in the performance of the contract shall be deemed "Work Product". All Work Product shall be considered services for hire. Accordingly, except as set forth earlier in this paragraph, all Work Product shall be the exclusive property of the **COMMISSION**.

The **CONTRACTOR** agrees to notify the **COMMISSION** in writing before using any of **CONTRACTOR**'s previously developed software for services provided under this Agreement. The **CONTRACTOR** and the **COMMISSION** will honor all applicable preexisting licenses, copyrights, trademarks, service marks, and patents. If as part of an expense item under this Agreement, the **CONTRACTOR** purchases the right to any license, the agreements for the use or ownership of such license will be placed in the name of the **COMMISSION** along with all other rights and obligations. In addition, the **CONTRACTOR** will mark all Turnpike content or previously unprotected work product designated by the **COMMISSION** with a notice as follows: "Pennsylvania Turnpike Commission, (Year)".

### Audit/Retention of Records

**CONTRACTOR** and its subcontractors shall maintain books and records related to performance of this contract or subcontract and necessary to support amounts charged to the **COMMISSION** in accordance with applicable law, terms and conditions of this contract, and generally accepted accounting practice. **CONTRACTOR** shall maintain these books and records for a minimum of three (3) years after the completion of the contract, final payment, or completion of any contract, audit or litigation, whichever is later. All books and records shall be available for review or audit by the **COMMISSION**, its representatives, and other governmental entities with monitoring authority upon reasonable notice and during normal business hours. **CONTRACTOR** agrees to cooperate fully with any such review or audit. If any audit indicates overpayment to **CONTRACTOR**, or subcontractor, the **COMMISSION** shall adjust future or final payments otherwise due. If no payments are due and owing to **CONTRACTOR**, or if the overpayment exceeds the amount otherwise due, **CONTRACTOR** shall immediately refund all amounts which may be due to the **COMMISSION**. Failure to maintain the books and records required by this Section shall establish a presumption in favor of the **COMMISSION** for the recovery of any funds paid by the **COMMISSION** under the contract for which adequate books and records are not available to support the purported disbursement.

### Dispute Resolution

All questions or disputes regarding any matter involving this contract or its breach shall be referred to the Board of Claims as provided in 72 P.S. § 4651. If the Board of Claims either refuses or lacks jurisdiction, these questions or disputes shall proceed as provided in 42 C.S.A. § 7301 et seq. (Statutory Arbitration). The panel of arbitrators will consist of a representative of each of the parties and a third party chosen by the representatives, or if the representatives are unable to choose, by the American Arbitration Association.

### Indemnification

The **CONTRACTOR** shall be responsible for all damage to life and property due to negligence or other tortious acts, errors, and omissions arising from or related to the work of this Agreement. The **CONTRACTOR** shall indemnify and hold harmless the **COMMISSION**, the **COMMISSION's** officers, and the **COMMISSION's** employees from any claim or liability of any type or nature arising from or related to the work of the **CONTRACTOR** or that of the **CONTRACTOR's** employees or subcontractors or the presence of these persons or individuals on the **COMMISSION's** premises.

### Contractor Provisions

The Contractor Integrity and Contractor Responsibility Provisions are attached as an exhibit and made a part of this agreement.

### Entire Agreement

This Agreement, together with any writings either attached as exhibits or incorporated by reference, constitutes the entire understanding between the parties and there are no other oral or extrinsic understandings of any kind between the parties.

### Modification

This agreement may be modified only by a writing signed by both parties.



**Addendum No. 1**  
**RFP #05-105-3237**  
**Construction Auditing Services**

Following are the answers to questions submitted in response to the above referenced RFP as of November 1, 2005. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. May proposals be submitted electronically in lieu of or in addition to hard copy submission?

*The Pennsylvania Turnpike Commission must receive hard copies of each proposal. If a firm would like to submit an electronic version, it must be in addition to a hard copy.*

2. How does the “recommended training” referenced in RFP Section II-6 relate to the scope of work described in RFP Part IV? Section II-6 Training, states training “if appropriate”.

*We don't anticipate any training requirements as part of this engagement.*

3. Can responding firms propose “all-in” hourly rates for professional services by personnel category, without breaking down the components of the hourly rate into direct labor cost, labor overhead, and fee/profit as required by RFP Section II-9?

*No. As stated in Section II-9, all hourly rates listed in the cost proposal must be the actual hourly rates to be paid to each individual.*

4. Can responding firms propose “all-in” hourly rates for professional services established under other contracts with the Commonwealth of Pennsylvania, without breaking down the components of the hourly rate into direct labor cost, labor overhead, and fee/profit as required by RFP Section II-9?

*No. Refer to our response to Question #3.*

5. How are responding firms to present direct labor cost as required by RFP Section II-9, where such cost varies by individual rather than by personnel category, and where the identification of the team assigned to any specific work order will depend on the unique requirements of the assignment?

*List the direct costs for all individuals who would be eligible to work under this contract. Specific costs for individual audit teams will be compiled and approved as individual audits are identified and assigned.*

6. How are responding firms to present travel and subsistence costs as required by RFP Section II-9, where such costs are dependent on the unique requirements of any given work order?

***Travel and subsistence costs will be governed by the Commission's Travel Regulations. For consistency purposes during our cost proposal evaluation, please use an average hotel rate of \$85.00 and daily subsistence rate of \$45.00.***

7. How is a responding firm to develop a "total cost" as required by RFP Section II-9, given that this will be a work order based contract with an unknown total scope of work requiring cost proposals for each task identified throughout performance?

***Since work will be assigned on an "as-needed basis", completion of the total cost portion of Section II-9 will not be required.***

8. What mechanism(s) will the Commission employ to ensure that no conflict of interest arises as the result of any work order assignment, and to otherwise ensure the independence of the contractor performing any given audit?

***The final contract executed with the successful firm will contain Contractor Integrity provisions as well as a Conflict of Interest clause which will require the successful vendor to notify the PTC in advance should any conflict of interest exist with any potential auditee.***

9. Will the Commission award multiple contracts under this solicitation so that a mechanism exists to address potential conflict of interest and/or independence issues that the contractor may have arising from the identity of the companies whose performance the contractor will be auditing under any given work order?

***The Commission has no plans to award multiple contracts at this time. All available options would be considered should a conflict of interest situation arise.***

10. If multiple contracts are awarded under this solicitation, will the successful contractors compete with one another for each work order issued by the Commission?

***Refer to our response to Question # 9.***

11. Must the contractor's performance under any work order be directed by a Certified Public Accountant?

***No. The only requirement is that the firm must have their overhead rate calculation performed by an independent Certified Public Accounting firm.***

12. What specific pronouncements describe the requirements contemplated by the Commission's intended application of "Generally Accepted Auditing Standards for Construction Contracts" as noted in RFP Section IV-3?

***The Commission expects that the successful firm will follow all applicable "Generally Accepted Government Auditing Standards (GAGAS) in the performance of any audit work under this contract.***

13. Does the application of "Generally Accepted Auditing Standards for Construction Contracts" to the performance of work orders, as noted in RFP Section IV-3, apply to more than the organization, preparation and maintenance of related working papers?

***Refer to our response to Question #12.***

14. What is the general time frame for completion of performance of a typical audit as contemplated by the RFP? That would depend on the type of project selected for review.

***The normal time frame would probably be two to three months from beginning to the issuance of the report.***

15. Is it contemplated that audit work be performed in its totality at the construction site location, or may the contractor finalize the audit work at its offices following completion of field interviews, inspections and document reviews?

***The Commission envisions that the required field audit work will be performed on site, with any follow-up work to be performed at the contractor's offices.***

16. Please indicate if services requested are currently being performed. If so, please name the firm and value of services over the contract period.

***The Commission currently does not have a firm under contract for these services.***

17. What is the anticipated value of services over the 2-yr contract period? Anticipated number of task orders? Average task order value?

***These values will be determined based upon our evaluation of required construction auditing services once the successful firm has been selected and a final contract executed.***

18. Does PTC anticipate awarding more than one contract to perform services?

***Refer to our response to Question # 9.***

19. If possible, please define further, Proposal Part I-20, Commission participation for "reasonable office space and logistical support." Does PTC anticipate providing office space in Harrisburg or another city in the Commonwealth? If the contractor requires office space to perform their services, they will need to note it in their proposal and the Commission will provide reasonable office space.

