



**Atlantic County Utilities Authority**

**Request for Proposals for  
Professional Auditing Services  
at the Atlantic County Utilities Authority**

**Issued by:** Atlantic County Utilities Authority  
Finance Department

**Date:** October 30, 2015

**Proposals Due:** December 1, 2015

**NOTICE OF SOLICITATION OF REQUEST  
FOR PROPOSAL FOR PROFESSIONAL SERVICES**

PLEASE TAKE NOTICE that Requests for Proposals for **Professional Auditing Services** will be received by the Atlantic County Utilities Authority no later than 4:30 PM prevailing time on **December 1, 2015** at the following address:

[kvesey@acua.com](mailto:kvesey@acua.com)

A complete Request for Proposals, which sets forth the Authority's requirements in this procurement may be obtained on the Authority website at <http://acua.com/rfps.aspx>

All questions and correspondence regarding the RFP must be directed to Katie Vesey, Deputy Chief Finance Officer/Director of Research & Development in writing at the above email address.

All proposals are being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.4 et. seq.

All Requests for Proposals are required to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27 and N.J.S.A. 52:32-44. All proposers must be fully licensed to carry out the duties of their respective professions as required by State law.

The Authority reserves the right to reject any and all proposals and to award a contract in this procurement to the firm that best meets its requirements, price and other factors considered.

Oren Thomas  
Purchasing Agent

## I. Introduction

The Atlantic County Utilities Authority (ACUA) owns and operates a Solid Waste complex in Egg Harbor Township, Atlantic County, NJ, known as the Howard F. Haneman Environmental Park, and a Wastewater Treatment Facility in Atlantic City, Atlantic County, NJ.

The Solid Waste facility is home to an active landfill, a recycling center, composting site, vehicle maintenance center, compressed natural gas fueling station and other ancillary facilities. Also on site is the ACUA's primary administration building, constructed in 1992, which features a closed-loop geothermal HVAC system. The site is home to a 5.4 MW landfill methane gas to electricity project which provides 100% of the power needs of the Park. The ACUA's solid waste complex is located at 6700 Delilah Road, in Egg Harbor Township, New Jersey. The site consists of approximately 360 acres with approximately 102 acres representing the landfill footprint.

The ACUA also owns the Pinelands Park Landfill (PPL) located in Egg Harbor Township. The PPL landfill was acquired by ACUA in 2012 and is now in its twenty-third year of post-closure care, out of an anticipated thirty year closure period.

The Wastewater Treatment Facility has been in operation since 1978 and services 14 communities in Atlantic County. It is home to the Jersey-Atlantic Wind Farm, a 7.5 MW wind farm that is privately owned and from which the ACUA purchases approximately 12 million kWh per year of electricity. In addition the facility also houses a 500 kW solar PV system.

The ACUA is responsible to the residents of Atlantic County to be financially prudent and environmentally responsible.

## II. General Information

### A. Issuing Office and Point of Contact

Katie Vesey, Deputy Chief Finance Officer/Director of Research & Development is the ACUA contact and can be reached at:

Email: [kvesey@acua.com](mailto:kvesey@acua.com)

RFP reference: [www.acua.com/rfps.aspx](http://www.acua.com/rfps.aspx)

### B. Limits of Liability

The Authority assumes no liability for any cost incurred by proposers in responding to this RFP or in responding to any further request for interviews, additional

information, etc. prior to the issuance of the contract.

C. Type of Contract

The Atlantic County Utilities Authority is requesting proposals from qualified firms of certified public accountants to:

- a. Audit its financial statements for the fiscal year ending December 31, 2015.
- b. Audit four Landfill Closure Funds (solid waste only) for the fiscal period ending 9/30/2016, due to NJ DEP by 10/31/2016. The four funds are ACUA Standard Escrow, ACUA Alternative Escrow, Pinelands Park Landfill Standard Escrow and Pinelands Park Alternative Escrow.

The initial contract will be for a period of one year, as limited by law. Whether or not the Authority will renew the contract at the end of the one-year term, or engage in a new, formal procurement process is within the sole discretion of the Authority.

Audits are to be performed in accordance with the New Jersey Local Authorities Fiscal Control Law and its implementing regulations, with generally accepted auditing standards, and with all requirements of the Authority's bond resolutions, including without limitation the Authority's Sewer Revenue Bond Resolution adopted August 27, 1985, as restated and ratified. The Solid Waste Division does not have any debt nor a bond resolution.

Under no circumstances does the Authority assume any obligation of any kind to reimburse responding firms for any costs or expenses which are incurred by any proposer in responding to this Request for Proposals or in submitting further information to the Authority.

During the proposal evaluation process the Authority may request additional information or clarifications from proposers, including oral presentations if deemed useful, and may allow corrections of errors or omissions. The Authority reserves the right to retain all proposals submitted and to use any ideas set forth in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the ACUA and the firm selected. Proposers are advised that all proposals and all material contained in same, are matters of public record upon their submission to the Authority and are subject to inspection and copying by any person. Consequently, the Authority cannot accept the designation of any material as proprietary or the reservation of any right of confidentiality by any proposer.

It is anticipated the selection of a firm will be completed by December 17, 2015. Following the notification of the selected firm it is expected a contract will be

executed between both parties in January 2016 if all required paperwork is in order.

Interested proposers who wish to review the 2014 audit working papers should contact the Authority's auditors for the 2014 audit year, Holman Frenia Allison PC. Interested proposers who wish to review any official statements and bond resolutions should contact Katie Vesey. Prior year financial statements for the ACUA can be found on the ACUA web site, [www.acua.com](http://www.acua.com).

Proposers should review prior financial reports for a clear and concise understanding of the reports required of your firm if selected as the Authority's auditors. It is expected that as auditors your firm will produce the same or similar reports as shown in the 2014 audit and the landfill closure audit reports.

**D. Target Dates/Calendars**

The following schedule shows the target dates for the proposals:

<b>Event</b>	<b>Date</b>	<b>Time</b>
RFP Issued	October 30, 2015	
Questions Due	November 10, 2015	4:30pm EST
Proposals Due	December 1, 2015	4:30pm EST
Award Contract	December 17, 2015	
Execute Contract	By January 29, 2016	
Start of Work	On or about the week of March 7, 2016	

**Audit calendar**

The Authority intends to have certain Wastewater and Solid Waste Division records available for audit and related work on or about March 7, 2016. Proposers should be aware of the following milestone dates in connection with audit services:

Week of February 8, 2016:

Hold an in person or telephone meeting with Deputy Chief Finance Officer/Director of R&D. The purpose of this meeting will be to discuss year end audit work to be performed and key internal controls or other matters to be tested; to discuss any prior audit concerns and any interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.

Week of March 7, 2016

Perform onsite audit procedures. At this time basic information and draft financial statements will be made available for solid waste operations or wastewater

operations or both. Supplemental information may be supplied as needed during the period of the audit work.

Week of March 14, 2016

Continue to perform onsite audit procedures. Progress conference with Deputy Chief Finance Officer/Director of R&D.

Week of March 21, 2016

Audit conference with Deputy Chief Finance Officer/Director of R&D and key finance personnel. Provide final GAAP financial statements (in draft form) for inclusion in MD&A to be completed by Deputy Chief Finance Officer/Director of R&D.

The purpose of this meeting will be to summarize the results to date of the audit and testing of internal controls to Deputy Chief Finance Officer/Director of R&D and any other key finance personnel and other department heads the Authority deems appropriate. Also to present the draft audit report, report on fair presentation of financial statements, report on internal control structure, report on compliance with applicable laws and regulations and draft letter to management on any management comments.

Weeks of March 28, 2016 and April 4, 2016

Present draft audit with Deputy Chief Finance Officer/Director of R&D, to Finance Board Committee and county officials, presentation of final draft audit report, report on fair presentation of financial statements, report on internal control structure, report on compliance with applicable laws and regulations and final draft letter to management on any management comments or reportable conditions, if applicable.

The draft report will be reviewed as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Deputy Chief Finance Officer/Director of R&D. It is anticipated that this process will be completed and 25 copies of the final report delivered to Katie Vesey by **April 11, 2016**.

**The April 2016 Board of Commissioners meeting will be at 3:00pm on April 21, 2016. The successful proposer is required to attend this meeting to present a summary of the audit to the Board and the public.**

Week of October 17, 2016

Complete four Landfill Escrow Audits.

E. Proposal Requirements

There is no restriction to length of proposals; however, proposers are encouraged to

be as concise as possible.

**a. Submission of Proposal**

E-mail proposals to Katie Vesey at [kvesey@acua.com](mailto:kvesey@acua.com) and a copy to Michael Goloff at [mgoloff@acua.com](mailto:mgoloff@acua.com), including the following:

**b. General Requirements**

The purpose of the Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the ACUA in conformity with the requirements of this request for proposals. The Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for the proposals requirements.

The Proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, items (1) through (9), **must be addressed**:

(1) **Independence:** The firm should provide an affirmative statement that it is independent of the Atlantic County Utilities Authority as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the Atlantic County Utilities Authority for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the ACUA written notice of any professional relationships entered into during the period of this agreement.

(2) **License to Practice in New Jersey:** An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in New Jersey.

(3) **Firm Qualifications and Experience:** The proposer should state the size of the firm, the size of the firm's audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement of whether that quality control review included a review of specific authority/utility engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm or its principals during the past three (3) years.

**(4) Partner, Supervisory and Staff Qualifications and Experience:** Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in New Jersey. Provide information on related authority/utility authority auditing experience of each person anticipated to be involved in this engagement.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the ACUA. However, in either case, the ACUA retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the ACUA, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

**(5) Prior Engagements with the Atlantic County Utilities Authority:** List separately all engagements within the last five years, ranked on the basis of total staff hours, for the ACUA by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement

partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

**(6) Similar Engagements with Other Similar Wastewater and/or Solid Waste Authorities:** For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal.

Indicate the budget size, number of employees and description of operation audited. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Provide specific examples outlining your experience with solid waste utility authorities and wastewater utility authorities. Include audit and non- audit experience. Specifically what types of activities have you or your firm been involved in as it relates to solid waste and wastewater agencies.

**(7) Specific Audit Approach:** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as ACUA's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the ACUA's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

**(8) Identification of Anticipated Potential Audit Problems:** The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the ACUA.

**(9) Report Format:** The proposal should include sample formats for required reports.

## **F. Cost Proposal**

Cost Proposal, utilizing the form of proposal made a part of this RFP (Appendix D). The contract as awarded by the Authority may include any combination of the required and optional services; all proposals shall, however, provide prices for all services in order to provide a fair basis for comparison of bids. The proposal form shall be completely filled out.

Any contract awarded may be awarded on a not to exceed basis, in which case the Auditor shall not incur any expense or time beyond that specifically authorized by contract, in the absence of a Contract Amendment approved in advance by the Authority Board by resolution and authorizing same.

## **G. Meetings**

A major component of all tasks is cooperation and interaction with the Authority on an as necessary basis. This shall include but not be limited to an initial kick-off meeting to discuss the essential goals of the project and continuous update on the status of the project throughout the term of the contract.

## **H. Subcontracting**

Subcontracting may be permitted during the term of the contract with the prior written consent of the Authority. The proposer shall be legally and operationally responsible for all services to be provided by the subcontractor and the proposer's professional liability insurance coverages shall extend to all services provided by any subcontractor.

## **I. Evaluation Criteria:**

The ACUA has established an evaluation committee that will work together to develop a scorecard to evaluate proposals. The scorecard will be established prior to proposals being received.

The following criteria will be rated by the committee for each proposal. The proposal with the highest overall score will be considered the most

advantageous to the Authority.

- Independence of the firm
- Firm qualifications, credentials and experience
- Personnel qualifications and experience
- Familiarity with the Contracting Agency
- Experience with similar organizations
- Audit approach and identification of potential issues
- Report format
- Cost

The final score card will be released to the proposers, in written form by the ACUA, upon request. Any contract that is entered into by the ACUA will be required to be presented to our Board of Commissioners for approval.

If any of the evaluation criteria is incomplete or fails to address the questions in the proposal, the evaluation committee may reject the proposal. Each Proposer is responsible for reviewing technical and cost proposal requirements and preparing their responses in a clearly organized submittal.

Each technical and cost proposal is required to be in accordance with the terms of the specific RFP and shall be signed by an executive officer of the proposing organization, and, where applicable, a corporate officer of the parent organization, recognizing that both will have authority to bind the proponent.

Technical and cost proposals shall consider and be reflective of all federal, state, and local laws, statutes, ordinances, regulations, and other applicable laws that may affect cost, permitting, progress, performance or furnishing of the project including, but not limited to, applicable regulations concerning minimum wage rates, nondiscrimination in the employment of labor, protection of public and employee safety and health, environmental protection, protection of natural resources, fire protection, solid waste handling facility standards and permits, other permits, fees, and similar subjects.

#### **J. Clarification of the Proposal**

After the submission of proposals, unless requested by the ACUA, there will be no proposer contact permitted.

After reviewing the proposals, the Evaluation Committee may ask one, some or all of the proposers to clarify certain aspects of their proposals. A request for clarification may be made in order to resolve minor ambiguities, irregularities, informalities or clerical errors.

After the Evaluation has been completed:

- a. All materials are kept on file at the ACUA.
- b. The evaluation committee makes a formal recommendation to the ACUA officers and authorized staff. **Note:** An ACUA officer may sit on the evaluation committee depending on the type of project. The officer will make the recommendation along with the entire evaluation committee to the rest of the officers.
- c. The most advantageous proposal will be chosen by the evaluation committee based on the score card evaluation.
- d. The ACUA Officers and authorized staff may at this point accept, reject or modify the recommendation of the Evaluation Committee.
  - 1) For any proposal that is accepted, a resolution will be presented to ACUA's Board for their consideration.
  - 2) For all rejected proposals the proposers will be notified in writing.

### **III. Project Description**

#### **A. General Description**

The Authority is a public body corporate and politic of the State of New Jersey and is organized under the New Jersey Municipal Utilities Authorities Law as a municipal utilities authority. It is subject to the requirements of the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq. and its implementing regulations.

Since 1978 the Authority has provided wastewater conveyance and treatment services under contracts with municipalities and authorities and one State-regulated public utility within the County.

The System consists of a wastewater treatment plant, a wastewater collection system of approximately 60 miles of gravity interceptor and force mains, 20 pumping stations and an ocean outfall line discharging into the Atlantic Ocean through a diffuser system. Sludge accepted under contract generates approximately \$1.5million in additional annual revenues.

In 2015 the Authority expects to treat approximately 11.5 billion gallons of wastewater, and has a wastewater operating budget, inclusive of debt service, of approximately \$28 million.

In 1981, the Authority was designated by Atlantic County as its implementing agency for solid waste management pursuant to the Solid Waste Management Act of the State of New Jersey. The Authority's current solid waste disposal system consists of a transfer station and landfill owned and operated by the Authority. The Authority also contracts with a number of municipalities for the curbside collection of solid waste and recyclables.

The Authority's Solid Waste Division expects to process about 297,000 tons of waste and deliver approximately 35,000 tons of recyclable material at the solid waste facilities located at the Environmental Park and provide collection services to most municipalities in Atlantic County. Beginning in 2011, recyclable material is processed by a third party at the ACUA recycling center. The 2015 Solid Waste budget is approximately \$33.5 million.

The Authority has a total payroll of approximately \$15.1 million covering approximately 250 employees.

The accounting and financial reporting functions of the Authority are centralized.

The Authority uses the following fund types in its financial reporting. There may be more than one account within each fund type:

**Solid Waste**

Revenue Fund  
Construction Fund  
Renewal and Replacement Fund  
Landfill Closure Fund

**Wastewater**

Revenue Fund  
Construction Fund  
Debt Service Fund  
Debt Service Reserve Fund  
Renewal and Replacement Fund

The Authority does not prepare its budgets on a basis consistent with generally accepted accounting principles. The budget is prepared in accordance with regulations of the Division of Local Government Services. Annual budgets are reviewed and approved by the New Jersey Department of Community Affairs according to law and regulations.

The Authority participates in the State of New Jersey Public Employees Retirement

System, for which actuarial services are provided by State of New Jersey.

The Authority's employee health benefit and prescription plans are with the State of New Jersey. The Authority also provides deferred compensation and Section 125 plans.

**About the Finance Department and Computer System**

The Authority's finance & purchasing department is headed by Katie Vesey, Deputy Chief Finance Officer/Director of R&D and Sandy Bourguignon, Chief of Staff, and consists of seven full-time employees. The purchasing office is headed by Rick Thomas, Purchasing Manager with one additional employee. The principal functions performed are as follows:

- Function
- Accounts Payable
- Billing & Accounts Receivable
- Accounting
- Budget
- Payroll
- Debt Management
- Investments
- Purchasing

The Authority's Finance and Purchasing Operations use MCS (Edmunds) Software.

The current payroll processing provider is Casa Payroll Solutions. The current time keeping software is TimeTrak.

The current solid waste/scale house and the wastewater billing system utilizes the Waste Works Carolina Software system.

The Finance Department generally uses Microsoft Excel.

The Authority retains a part time Certified Public Accountant to test certain internal controls whose findings are reported to the President, Deputy CFO/Director of R&D and Board of Commissioners. In addition, certain internal audit tests are performed by Deputy CFO/Director of R&D and reported to the President and Board of Commissioners quarterly.

Since 1990 there have been no instances reported of non-compliance that are required to be reported under Government Auditing Standards. There have been no material weaknesses or findings reported by prior auditors.

## **B. Responsibilities of Contractor/Scope of Work**

### **a. General**

The successful proposer will prepare and audit the Authority's financial statements, including all supplemental statements and notes for the fiscal year ending December 31, 2015 in accordance with this request for proposals and with the contract entered into between the successful proposer and the Authority.

The Authority's wastewater and solid waste divisions are totally segregated for budget and accounting purposes. The bondholders of each division have no claim upon revenues or assets of the other. **Because of this, the Authority requires that each Division's financial statements are to be presented separately in addition to being combined.**

A copy of the Atlantic County Utilities Authority's most recent financial statements and audits are on the ACUA web site at [www.acua.com](http://www.acua.com). Proposers may utilize these documents as a general guide to the kinds of statements and deliverables that are required hereunder.

### **b. Scope of Work**

The successful proposer will express an opinion on the fair presentation of the Authority's general purpose financial statements in conformity with generally accepted accounting principles and in conformance with governing Bond Resolutions of the Authority, and will perform certain limited procedures involving required supplementary information under the Authority's bond resolutions as set forth therein.

The successful proposer (also referred to herein as the Auditor) shall or may, as the context below indicates, be required to perform the following tasks:

1. The Authority will provide a final trial balance for each fund in the Wastewater Division and Solid Waste Division and a preliminary Balance Sheet and a Revenue and Expense Statement on a modified GAAP basis. During the course of the audit the Authority will provide statements for each division comparing Budget to Actual. **It is the responsibility of the selected auditor to convert the Modified GAAP statements to GAAP (primarily by adjusting for purchases encumbered but not received or completed, and included in the Authority's Modified GAAP reporting.)** The Authority will provide a listing by account number of encumbrances or contracts that have not been received or completed as of December 31, 2015. Related to the financial statements, the Auditor may be required to provide assistance

on certain non-routine transactions, the treatment of said transactions, and how that relates to the Balance Sheet and Revenue and Expense Statement. This activity would be inclusive of the cost proposed by the Proposer.

2. The Auditor shall prepare and audit statements on the following basis:
    - GAAP Basis
    - Modified GAAP Basis
    - In accordance with Bond Indenture
    - Budget to Actual
  3. The Auditor may be required to assist with the implementation of any recently mandated GASB requirements.
  4. Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:
    - (a) Independent Auditor's Report on audit and financial statements.
    - (b) Independent Auditor's Report on Special Purpose Statements of Revenues and Expenses to Comply with Revenue Bond Resolution.
    - (c) Independent Auditors Report on Debt Service Requirement.
    - (d) Report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
    - (e) Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB circular A-133 and New Jersey OMB Circular 98-07, if applicable.
    - (f) Findings and Recommendations, if applicable
    - (g) Schedule of non-compliance and questioned costs
- AND
- (h) **All other statements, schedules and reports shown in the "Financial Statements and Additional Reports" for the years ending December 31, 2014 and 2013. The Deputy CFO/Director of R&D will complete the Transmittal Letter and Management's and Discussion Analysis.**
5. The auditor shall communicate any reportable conditions found during the audit in a separate letter to management. A reportable condition is defined as a significant deficiency in the design or operation of the internal control

structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The report on compliance as set forth in 5 above shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate letter. There were no material instances of noncompliance in 2014.

6. The Auditor shall make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the President of the Authority and its Deputy Chief Finance Officer/Director of R&D. Immediate shall mean that the auditor shall make such written report available within two business days of confirming that in its opinion an irregularity and/or illegal conduct has taken place.
7. The Auditor should be available to discuss certain issues or concerns, or answer certain questions, normally of a brief nature, posed by the Deputy Chief Finance Officer/Director of R&D.
8. The Auditor is responsible for submitting the annual audit and any other required documentation to the Division of Local Government Services.

**c. Optional Services**

1. The Auditor may be asked to provide accounting assistance and/or accounting research from time to time during the term of the contract. Compensation for these special accounting services will be based upon time incurred at an hourly rate to be specified in the Proposal. Only for the purpose of providing a basis for comparison of proposals and for encumbrance of funds, the Authority will assume a maximum of fifty (50) hours for special accounting services. No representation is made, however, as to actual time (if any) that will be requested.
2. Should the Authority prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon, the auditor shall, if requested by the Deputy CFO/Director of R&D, ACUA Financial Advisor or ACUA Bond Counsel, issue such opinions and provide such supporting information as is reasonable and customary, and as is required by law, in connection with any such transaction.
3. The Auditor may be asked to provide input or discussion on significant concerns of the Authority.

**d. Auditing Standards**

All services shall be performed in accordance with:

- (1) Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
- (2) Sewer Revenue Bond Resolution adopted August 27, 1985, as restated and ratified; and
- (3) All requirements of law and applicable regulations.

**e. Reporting**

Auditors shall assure themselves that the President of the Authority, its Deputy CFO/Director of R&D, and the Authority's finance committee, are fully informed of each of the following:

1. The Auditor's responsibility under generally accepted auditing standards;
2. The Auditor's responsibility under the Bond Resolution of the Authority;
3. Significant accounting policies;
4. Management judgments and accounting estimates;
5. Significant audit adjustments;
6. Other information in documents containing audited financial statements;
7. Disagreements with management;
8. Management consultation with other accountants;
9. Major issues discussed with management prior to retention; and
10. Difficulties encountered in performing the audit.

**The Auditor shall report to the Authority's Deputy CFO/Director of R&D, who shall be responsible for coordination of its activities.** The Auditor's professional judgment, however, shall be independent in all respects as to matters within the scope of its engagement as external auditor.

**f. Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years following completion of all services hereunder unless the firm is notified in writing by the Atlantic County Utilities Authority of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Authority or its designee. The auditor may be required, as a part of this scope of services, to leave the most recent year's audit working papers, or a clean copy, on the Authority's premises between submission of the audit and the time the subsequent year audit is complete.

The Auditor shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

**C. ASSISTANCE TO BE PROVIDED BY ACUA**

The finance department staff and responsible management personnel (including the Authority's in-house computer analyst if necessary) will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Auditor to prepare for ACUA official signature.

The Authority will provide the auditor with reasonable work space, tables and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities, and facsimile machines for its use in performing its services hereunder and for no other purpose.

Report preparation, editing and printing shall be the responsibility of the auditor.

The Authority will provide the following reports, some of which will only be in electronic format, predominately in Microsoft Excel or in the Authority's accounting software Municipal Computer Solutions, aka: Edmunds.

- Trial balances for each fund in chart of accounts format
- Detailed general ledger that reflects activity for entire year for each fund
- Preliminary Balance Sheet
- Preliminary Revenue and Expense Statement (Modified GAAP and Budget to Actual)
- Bank statements and reconciliations for December 31, 2015 on all accounts

- Copies of investment statements as of December 31, 2015 and summary worksheets
- Analysis of interest receivable as of December 31, 2015
- Aged Accounts Receivable trial balances reconciled to General Ledger
- Analysis of any problem A/R accounts and status
- Accounts Receivable Summary Aged Balance Reports
- Matrix of intercompany payables and receivables to all accounts within and between the Wastewater and Solid Waste Divisions
- A listing of additions and deletions to Property, Plant and Equipment
- Depreciation Schedules
- Listing of payments approved at January and February 2016 Board Meetings
- Analysis of accrued payroll at December 31, 2015
- Analysis of pension liability at December 31, 2015
- Analysis of sick pay liability at December 31, 2015
- Analysis of prior year accounts payable that are still open and an explanation for any amounts that were removed from the prior year Accounts Payable list
- Analysis of post closure landfill cost accrual at December 31, 2015 **(this is not available from consulting engineer until audit is near completion, and therefore will most likely require a late journal entry to the yearend financial statements)**
- Analysis of bonds payable and amortization costs of bond issuance and bond discounts/premiums for the year ended December 31, 2015
- Analysis of interest payable as of December 31, 2015
- Detail of any bond defeasance entry, if applicable
- Historical sales journal for Solid Waste (tonnage report) for audit year

Auditors will be given access to files containing hard copy data, such as payment vouchers, sales data, or billing statements and reports. It will be the auditor's responsibility to retrieve this data. Auditors will be given access to the accounting systems in order to retrieve reports or download required data.

The Authority will provide Microsoft Excel files containing the drafts of the Balance Sheet and the Revenue and Expense Statement, including related schedules such as fixed asset and depreciation schedules.

#### **IV. Selection of Proposal**

If an award of contract is made, the Authority will select that proposer which in its sole judgment represents the most advantageous proposal to the Authority, price and other factors considered. Any contract awarded may be awarded on a not to exceed basis, in which case the Auditor shall not incur any expense or time beyond

that specifically authorized by the initial contract or contract amendment, if applicable.

#### **V. Manner of Payment:**

Payment will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal and in accordance with the form of contract made a part of this RFP. Interim billing shall cover a period of not less than a calendar month. Final payment will be made after delivery of the firm's final reports.

#### **VI. Additional Requirements - Form of Contract**

The Authority's standard form of contract is attached (Appendix E). The successful proposer will be required to execute the contract in the attached form unless specific exceptions are taken in the Proposal. Any exceptions taken will be considered by the Authority in evaluating the responsiveness of the Proposal. The attention of proposers is particularly directed to the requirements of the contract with respect to indemnification, insurance, and affirmative action. The contractor will be required to provide either an executed Form AA-302 or a Certificate of Employee Information Report Approval as a condition of signature of the contract.

#### **VII. State Purchasing Law Requirements**

- A. **Bidders are required to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C.17:27. The mandatory equal employment opportunity language includes the following:**

##### **Goods, Professional Services and General Service Contracts**

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

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment

advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, 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 age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to **N.J.S.A. 10:5-31 et seq.** as amended and supplemented from time to time and the American and Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to afford equal employment opportunities to minority and women workers consistent with Good faith efforts to meet targeted county employment goals established in accordance with **N.J.A.C. 17:27-5.2**, or Good faith efforts to meet targeted county employment goals determined by the Division, pursuant to **N.J.A.C. 17:27-5.2**.

B. **Business Registration**

Note that all proposers must comply with the Business Registration requirements of the New Jersey Department of Community Affairs in accordance with **N.J.S.A. 25:32-44**. **Firms must submit prior to the award of the contract a copy of their New Jersey Business Registration Certificate. Failure to do so will be cause for rejection of the firm's Proposal.**

C. **New Jersey Pay to Play Regulations**

This contract will be subject to New Jersey Pay to Play regulations. Upon receipt of the current Candidate Committee List from the Atlantic County Clerk, the Authority will provide to the Contractor and the Contractor as soon as is reasonably possible will complete and submit a Business Entity Disclosure Certification which will certify that the Contractor has not made any reportable contributions to a political or candidate committee in the County of Atlantic (1) in the previous one year; (2) and from January, 2012 to the date of award; (3) that the contract will prohibit the Contractor from making any reportable contributions through the term of the contract.

D. General Insurance and Indemnity Requirements

See Attached

## APPENDICES

- A. 2014 Audit Report (There was no management letter)
- B. Sample Landfill Closure Report
- C. Listing of Key Personnel
- D. Form for Audit Proposal
- E. Form for Agreement

\*Note- Offering Statements and Bond Resolutions are available for review at the Atlantic County Utilities Authority, Finance Department, 6700 Delilah Road, Egg Harbor Township, NJ.

APPENDIX A

2014 AUDIT REPORT

**Go To:** [WWW.ACUA.COM](http://WWW.ACUA.COM)

APPENDIX B

LANDFILL CLOSURE REPORT

Go To: [WWW.ACUA.COM](http://WWW.ACUA.COM)

APPENDIX C

LIST OF KEY PERSONNEL, ADDRESSES, TELEPHONE NUMBERS AND E-MAIL ADDRESSES

Administration Building and Solid Waste Site (physical):  
6700 Delilah Road  
Egg Harbor Township, NJ 08234

Wastewater Site (physical):  
1801 Absecon Boulevard  
Atlantic City, NJ 08401

Mailing Address – All:  
PO Box 996  
Pleasantville, NJ 08232

<b>Name</b>	<b>Title</b>	<b>Phone</b>	<b>E-mail</b>
Richard S. Dovey	President	609-272-6980	<a href="mailto:rdovey@acua.com">rdovey@acua.com</a>
Brian Lefke	VP Solid Waste/ Board Secretary	609-272-6903	<a href="mailto:blefke@acua.com">blefke@acua.com</a>
Gene Petitt	Chief Engineer	609-272-6907	<a href="mailto:gpetitt@acua.com">gpetitt@acua.com</a>
Joseph Pantalone	VP Wastewater	609-343-7723	<a href="mailto:jpantalone@acua.com">jpantalone@acua.com</a>
Sandy Bourguignon	Chief of Staff	609-272-6984	<a href="mailto:sbourguignon@acua.com">sbourguignon@acua.com</a>
Katherine O. Vesey	Deputy CFO/ Director of R&D	609-272-6948	<a href="mailto:kvesey@acua.com">kvesey@acua.com</a>
Oren "Rick" Thomas	Purchasing Manager	609-272-6904	<a href="mailto:rthomas@acua.com">rthomas@acua.com</a>



APPENDIX D (continued)

**Cost Proposal for Optional Services and Other Costs Related to Audit**

Description	Amount
Cost for optional services as described in Section III.B.c. of the RFP (Hourly Rate x 50 hours)	
Other Expenses:	
Out-of-pocket expenses	
Meals and lodging	
Transportation	
Other (specify)	
Total Cost for Optional Services and Other Expenses	

APPENDIX E

FORM OF AGREEMENT

SUBJECT: \_\_\_\_\_ CONTRACTOR: \_\_\_\_\_

AGREEMENT

THIS AGREEMENT, made as of this        day of        20 ,

**BETWEEN:** THE ATLANTIC COUNTY UTILITIES AUTHORITY (hereinafter ACUA), a body corporate and politic of the State of New Jersey with offices located at 6700 Delilah Road, Egg Harbor Township, New Jersey 08234-5623

**AND**

**FEDERAL TAX I.D. NUMBER:** \_\_\_\_\_

hereinafter referred to as "Contractor,"

**WITNESSETH:**

WHEREAS, Contractor is a consultant and/or licensed professional in the fields which are the subject matter of this Agreement or employs licensed professionals in said field or fields as a part of its business, and as to those services which do not call for professional licensing is substantively competent to perform said services, and

WHEREAS, Contractor has represented that it is ready, willing, and able to perform all services in the time and manner called for in this Agreement and that it presently holds in good standing any and all of the necessary licenses for the lawful performance of said services within the State of New Jersey; and ACUA desires to retain the services of Contractor as set forth hereinafter, and has authorized retaining the services of Contractor by its duly adopted Resolution;

THEREFORE, it is hereby agreed as follows:

**A. PARTIES AND APPLICABLE LAW:**

1. The parties acknowledge that the Atlantic County Utilities Authority (hereinafter, ACUA) is a public entity of the State of New Jersey and is subject to all laws and regulations governing contracts of public entities, which laws and regulations, as presently exist and as may be amended and supplemented during the term of this Agreement, are made a part hereof. The parties agree that this Agreement shall be governed in all respects by the laws of the State of New Jersey.

2. The lawful name and address of Contractor are as set forth above. All notices addressed to contractor regarding any matter shall be sent to contractor at said address. Proof that any notice was received at the address above set forth, in the absence of prior written notice to from Contractor to ACUA of a change in said address, shall be conclusive proof that the notice was received by contractor.

**B. TERM OF AGREEMENT:** This Agreement shall run for a period of one year from the date above set forth or until the completion of all services set forth in the Scope of Services appendix attached hereto, whichever shall first occur. If the Scope of Services relates to services in connection with a single project, this Agreement shall terminate at the conclusion of the said services.

**C: SCOPE OF SERVICES; TIME FOR COMPLETION; PAYMENT:**

1. Contractor agrees to perform all services set forth on Appendix A, "Scope of Services and Compensation," within the time set forth in that Appendix for the completion of each service enumerated. If the Scope of Services provides for the issuance of a Notice to Proceed or its equivalent, contractor shall perform no services under this Agreement until said Notice shall have been issued. Appendix A is annexed to this Agreement and incorporated by reference. If the services hereunder were procured by means of a Request for Proposals, the Proposal of contractor shall be deemed to be Appendix A hereto and shall be incorporated herein by reference.

2. The parties agree that the total compensation due from ACUA to contractor for the services set forth in this Agreement, and pursuant to the rates set forth in Appendix A, shall under no circumstances exceed \$\_\_\_\_\_ ( \_\_\_\_\_ and 00/100 Dollars)

unless additional compensation is expressly authorized by duly adopted resolution of ACUA. The time and rates of payment may not be altered or amended without a duly adopted resolution of ACUA.

3. Payment will be made only upon the submission of the required standard invoice and any additional documents deemed necessary by ACUA, which reserves the right to determine that services have been performed in a proper and satisfactory manner in accordance with the terms and conditions set forth herein. Specifically, contractor agrees that ACUA shall have the right to inspect and audit his books and records with respect to all work performed pursuant to this contract. Contractor agrees to keep complete and accurate records with respect to the manner of computation of all billings, including but not limited to accurate time records for all persons billed to ACUA on an hourly rate, and to make said records available on reasonable request to ACUA.

4. In the event that services to be performed hereunder go beyond ACUA's fiscal year, Contractor acknowledges that continuation of this Agreement beyond the end of the fiscal year shall be subject to an adequate appropriation being made therefor in the ACUA's budget and that ACUA may terminate this Agreement in the event that it determines not to make an appropriation for its continuation.

**D. QUALITY OF WORK; ASSIGNMENT; INDEMNIFICATION AND INSURANCE:**

1. It is agreed and recognized that ACUA has retained contractor hereunder because, and solely because, Contractor has represented himself to be a qualified consultant and/or licensed professional authorized to perform all relevant services within the confines of this State as to all activities requiring said licensure, and is substantively competent to do so. Contractor agrees that he, and all individually licensed persons in any way affiliated with him, will perform all services hereunder in a proper and professionally competent manner consistent with the standard required of an experienced professional in the field of endeavor.

2. Contractor shall at all times and for all purposes be deemed an independent principal and not an agent or employee of ACUA for any purpose.

3. Contractor agrees not to assign this Agreement or any rights hereunder. Subcontracting of any service or work set forth in Appendix A or elsewhere in this Agreement shall be permitted with the prior written approval of ACUA.

4. Contractor hereby agrees to protect, defend, indemnify and hold ACUA and its employees, agents, officers and servants free and harmless from any and all losses, claims, liens, demands and causes of action of every kind and character including but not limited to, the amounts of judgments, penalties, interests, court costs, legal fees and all other expenses incurred by ACUA arising in favor of any party including claims, liens, debts, personal injuries including injuries sustained by employees of ACUA, death or damages to any property (including property of ACUA) and all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of Contractor's negligent performance of this Agreement. Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suits to the extent of its negligence. This provision is not intended to create any cause of action in favor of any third party against Contractor or ACUA or to in any way enlarge the Contractor's liability but is intended solely to provide for indemnification of ACUA from liability for damages or injuries to third persons or property arising from Contractor's performance. In furtherance of this obligation, but not in satisfaction of liability hereunder or in place of the obligation to indemnify set forth herein, Contractor agrees to maintain in full force and effect: a) Comprehensive General Liability insurance written on occurrence form, including personal injury liability coverage, broad form property damage liability coverage and contractual liability coverage insuring the agreements contained herein. The minimum limits of liability carried on such insurance shall be \$1,000,000. each occurrence and, where applicable, in the

aggregate combined single limit for bodily injury and property damage liability; \$1,000,000 annual aggregate personal injury liability; b) Automobile liability insurance for owned, non-owned and hired vehicles. The minimum limit of liability carried on such insurance shall be \$1,000,000. each accident, combined single limit for bodily injury and property damage; c) Worker's Compensation insurance, in accordance with New Jersey statutory limits, and employer's liability coverage of at least \$100,000 for each accidental injury and, with respect to bodily injury by disease, \$100,000 each employee and \$500,000 per policy year; and d) Professional Liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence. Professional Liability Insurance shall provide coverage for errors, omissions and negligent acts of Contractor or any person or organization for whom Contractor is legally responsible.

5. Insurance companies utilized must be admitted to do business in the State of New Jersey and shall have a rating of "A-" or better in the current edition of Best's Key Rating Guide or otherwise are in conformity with the rules and regulations of the New Jersey Commissioner of Insurance. All policies of insurance shall be primary and not excess as to ACUA and any and all deductibles shall be at the sole risk of Contractor. Submission of a Certificate of Insurance by Contractor to ACUA shall constitute a representation by Contractor that all required policies of insurance are in place.

6. Contractor agrees to furnish certificate(s) of the above mentioned insurance and copies of all professional liability policies or policy terms to ACUA within fourteen (14) days from the date of this Agreement, and, with respect to the renewals of the current insurance policies, at least forty-five (45) days in advance of each renewal date. **Such certificates shall, with respect to comprehensive general liability insurance, name ACUA as an additional insured** and, with respect to all policies shall state that in the event of cancellation, nonrenewal, or material change in the scope of any coverage, written notice shall be given to ACUA at least forty-five (45) days in advance of such cancellation, nonrenewal, or change. Each policy shall be primary and not excess as to ACUA.

7. All material or information paid for upon the completion of the project remains the property of ACUA. In the event the Scope of Services hereunder requires that reports or work product be submitted to ACUA, all such reports or work product shall become the property of ACUA upon submission and contractor waives and relinquishes all patent, copyright, or other intellectual property rights, whether statutory or common-law, in said reports or work product.

**E. AFFIRMATIVE ACTION AND NONDISCRIMINATION:** During the performance of this contract, the contractor agrees as follows:

a) The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status or sex. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status or affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the ACUA's Compliance Officer setting forth provisions of this nondiscrimination clause;

b) The contractor or subcontractor, where applicable will, 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 age, race, creed, color, national origin, ancestry, marital status or sex;

c) The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the ACUA's contracting officer, advising the labor union or workers' representative of contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment;

d) The contractor or subcontractor, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.

e) The contractor or subcontractor agrees to attempt in good faith to schedule minority and female workers consistent with applicable county employment goals prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time, or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.

f) The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

g) The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

h) The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status or sex, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey and applicable Federal law and applicable Federal court decisions.

i) The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations and Atlantic County Utilities Authority shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (NJAC 17:27).

**F. PREVAILING WAGE:** In the event that this Agreement, or any part hereof, is governed by the New Jersey Prevailing Wage Act, P.L. 1963, c.150, contractor agrees to fully comply with said Act. By his signature hereon, contractor warrants that neither he nor any subcontractor employed to perform any work hereunder is on record with the New Jersey Department of Labor as having previously failed to pay prevailing wages in accordance with said Act.

**G. POLITICAL CONTRIBUTION DISCLOSURE:** In the event this contract has been awarded based on the merits and abilities of the Vendor to provide the goods or services as described herein, and was not awarded through a “fair and open process” pursuant to N.J.S.A. 19:44A-20.4 *et seq.*, the undersigned does hereby attest that Vendor, its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution, that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 204, c19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to any political party committee in the *County of Atlantic* if a member of that political party is serving in an elective public office of that *County of Atlantic* when the contract is awarded, or to any candidate committee of any person serving in an elective public office of that *County of Atlantic* when the contract is awarded.

#### **H. BREACH AND TERMINATION:**

1. Any of the following events shall constitute a breach of this Agreement and shall make this Agreement voidable at ACUA's sole option, upon which event contractor shall be entitled to compensation only for work performed to the date of termination: a) Bankruptcy or insolvency, whether liquidating or non-liquidating, of contractor; b) Conviction of any principal of contractor of any crime under the laws of the State of New Jersey which, if committed by a public official, would disqualify that person from public employment; c) Breach of any term of this Agreement; or d) Abandonment of the work by contractor without the express written permission of ACUA.

2. ACUA may, with or without cause, terminate this agreement by written notice to Contractor, which notice shall take effect thirty (30) days from receipt and on such terms with respect to completion or abandonment of work in progress as ACUA shall set forth. On termination of this Agreement before the term set forth in Paragraph B. hereof, contractor shall prepare a final billing for ACUA setting forth its services to the date of termination. The parties shall thereafter discuss the amount due. Upon agreement as to the amount due and acceptance of payment contractor shall have no further rights against ACUA.

**I. ENTIRE AGREEMENT; MEANING OF TERMS; SEVERABILITY**

1. The parties recognize that this Agreement constitutes the entire agreement of the parties and that no provision hereunder may be waived or modified orally and, in the case of ACUA, without passage of a resolution authorizing said modifications.

2. The parties recognize that in construing this Agreement all words denoting gender are deemed to refer to the masculine, feminine, and neutral and that all words and phrases are to be given their commonly accepted meanings unless the context specifically indicates otherwise.

3. This Agreement is deemed severable; in the event that any part of this agreement is deemed to be illegal, void, or against public policy the remainder of this Agreement shall continue in full force and effect unless its purpose will be frustrated by removal of the offending part, in which event the parties shall be placed as nearly as possible at the status quo ante.

IN WITNESS WHEREOF, the parties have placed their hands and seals the day and year first above written.

ATTEST:

ATLANTIC COUNTY UTILITIES AUTHORITY

\_\_\_\_\_  
BRIAN G. LEFKE, SECRETARY

\_\_\_\_\_  
RICHARD S. DOVEY, PRESIDENT

ATTEST:

CONTRACTOR:

\_\_\_\_\_  
[affix corporate seal,  
if applicable]

\_\_\_\_\_  
[NAME AND TITLE]