

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSALS
FOR
INDEPENDENT COMPLIANCE AUDITOR
(Reference 2023-RFP-183)

ADDENDUM #3

August 31, 2023

The following constitutes an Addendum, which can be a Clarification and/or Modification to the above-referenced solicitation. This Addendum is divided as follows:

- Part 1: Answers to Questions Submitted
- Part 2: Additions, Deletions, Clarifications and Modifications to the RFP

Part 1: Answers to Questions Submitted		
No	Question	Answer
1.	Is there an incumbent currently (or previously) working as an Independent Compliance Auditor with the EDA?	Yes. Mercadien, P.C.
2.	Does the NJEDA anticipate a need for the services to be performed on-site?	At this time, the Authority believes that most if not all of the work can be done remotely. However, it is possible that the auditor may determine at some point in the future that it needs to perform certain work on-site. If so, the Authority will provide work space and wireless internet.
3.	Is there a preferred method for sharing information electronically? ShareFile, SharePoint, etc.?	No. However, the Authority is amenable to utilizing ShareFile and SharePoint.
4.	Does the NJEDA have an established framework for conducting the audits or will the contractor design the framework?	There is a general framework and NJEDA will collaborate with the awardee on the process. General framework includes: <ul style="list-style-type: none"> • A kickoff meeting for each program to be audited. • NJEDA provides overview of program and key documents, which include written policies and procedures. • The Contractor requests information and documentation.

		<ul style="list-style-type: none"> • NJEDA provides and the Contractor reviews such information and documentation. • The Contractor meets with NJEDA staff. • The Contractor prepares a draft report and shares with NJEDA. • NJEDA responds to draft report. • The Contractor finalizes report.
5.	<p><u>Page 3, 1.1:</u></p> <ul style="list-style-type: none"> a. Will one or multiple contracts be award? b. Is there a current vendor providing these services? c. What is the average estimated hours per audit? d. Will multiple audits be conducted simultaneously, if so generally how many? e. Will audits be conducted virtually or onsite? If on site, which locations? 	<ul style="list-style-type: none"> a. The intent of this RFP is to award one Contract for an Independent Compliance Auditor for one (1), three (3) year contract with the possibility of two (2), twelve (12) month extension options. b. Yes. Mercadien, P.C. c. The time varies depending on the complexity of the program or process under audit. However, for awareness, NJEDA has a compliance auditor currently performing similar services. The audit hours have ranged from 69 hours to 146 hours per program, depending on the complexity of the audit. d. The incumbent has conducted up to 3 audits simultaneously. However, it could be more or less depending on how long the successful Proposer needs to complete each one. The Authority anticipates approximately 8 audits per year. If the successful Proposer takes 12 months to complete each one, then conceivably it would have to conduct 8 audits simultaneously. In the alternative, if it only needs one month to complete each audit, then it may not have to work

		<p>on two audits simultaneously. See also response to no. 12</p> <p>e. See response no. 2.</p> <p>In the event that on site audits will be necessary, the Authority has offices in Trenton, North Brunswick, Newark, Camden and Fort Monmouth, NJ.</p>
6.	<p>Pg. 4, Section 1.1 Have there been any similar compliance audits done of NJEDA's economic development incentive programs? If so, can the NJEDA quantify the hours spent on the previous audits and provide the results?</p>	<p>Yes. NJEDA has a compliance auditor currently performing similar services. The audit hours have ranged from 69 hours to 146 hours per program, depending on the complexity of the audit.</p>
7.	<p>Pg. 4, Section 1.1 Is there a specific auditing standard under AICPA that NJEDA expects the Contractor to complete this compliance audit under?</p>	<p>Historically, NJEDA's compliance auditor has conducted performance audits, in accordance with Generally Accepted Government Auditing Standards. Those standards require that the compliance auditor plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and recommendations, based on the audit objectives.</p>
8.	<p>Page 4, Section 1.1: Purpose and Intent Over what period of time does the New Jersey Economic Development Authority ("Authority" or "NJEDA") anticipate disbursement of funds subject to the NJERA.</p>	<p>The compliance audit requirement applies to all NJEDA programs, not just those created by the NJERA. As such, the requirement will remain in effect indefinitely.</p>
9.	<p>Page 4, Section 1.1: Purpose and Intent What is the anticipated total amount of NJERA funds that the Authority anticipates to be subject to compliance audit? Can the Authority provide a breakdown of anticipated expenditures by program?</p>	<p>The compliance audit requirement applies to all NJEDA programs, not just those created by the NJERA and not just those currently in existence. As such, it is not possible to predict either the total amount of funds that will be subject to compliance audit or anticipated expenditures. Information about the Authority's annual activities can be found in its Annual Reports, which are posted on its website at https://www.njeda.gov/public-information/</p>
10.	<p>Page 4, Section 1.1: Purpose and Intent What is the actual-to-date total amount of NJERA funds that the Authority has disbursed</p>	<p>See response no. 9.</p>

	that are subject to compliance audit? Can the Authority provide a breakdown of actual expenditures by program?	
11.	Page 5, Section 1.1: Purpose and Intent Does the Authority anticipate the subject of each programmatic compliance audit throughout the engagement to be a unique incentive program?	Each audit will involve a separate economic incentive program. However, some of the programs are similar to each other.
12.	Page 4, Section 1.1: Purpose and Intent How many and which of the Authority's active incentive programs does the Authority anticipate will be subject to compliance audit?	<p>Subsection 101(b)(2) of the NJERA requires the NJEDA to conduct periodic, systematic audits of its economic development incentive programs for compliance with applicable laws, regulations, codes, orders, procedures, advisory opinions and rulings. As defined in the NJERA, "economic development incentive" is defined broadly to mean "a financial incentive, awarded by the authority to a person or entity, or agreed to between the authority and a person or entity, for the purpose of stimulating economic development or redevelopment in New Jersey, including, but not limited to, a bond, grant, loan, loan guarantee, matching fund, tax credit, or other tax expenditure."</p> <p>The successful Proposer shall be required to perform compliance audits of the NJEDA's programs, in accordance with Subsection 101(b)(2) of the NJERA and all other applicable federal and state laws, rules, regulations and standards. The NJEDA estimates (but does not guarantee) that it will need approximately 8 (eight) compliance audits per year.</p> <p>It is anticipated but not guaranteed that for CSIT there will an initial audit of one program and based on the audit, additional program types may be audited. Currently CSIT has four (4) distinct program types: SBIR/STTR Direct Financial Assistance, Seed Grants, R&D Vouchers, and Pilot Grants. As such, CSIT estimates (but does not guarantee) that it may need up to four (4) audits per year</p>

		At this time, a decision has not been made as to which specific incentive programs that the Authority will select for a compliance audit.
13.	Page 5, Section 1.1: Purpose and Intent What are the anticipated criteria for eligibility and selection of programs for compliance audit?	See answer to question 12. Additionally, the Authority anticipates selecting programs that (1) have been approved by its Board of Directors, (2) have already launched and processed applications, (3) are currently accepting applications or have recently stopped accepting applications, and (4) have not been audited in the past several years.
14.	Page 5, Section 1.1: Purpose and Intent Will the Authority select programs for compliance audit or will selections be prepared by the Independent Compliance Auditor?	The Authority will select the programs for the compliance audit.
15.	<u>Page 6, 1.3.1.1</u> In reviewing the Authority's Contract for Professional Services, we note that the insurance obligations are slightly different from what our policy allows, our insurance certificates are attached and not subject to modification. Will these differences pose a problem for the Authority?	Questions regarding the Authority's Contract for Services, please refer to Exhibit A and exceptions or modifications to its mandatory requirements must be requested by the Proposer during this Electronic Question and Answer Period and should contain the Proposer's suggested changes and the reason(s) for the suggested changes. The Authority shall be under no obligation to grant or accept any requested changes (i.e., exceptions taken) to the specimen form of the Contract and will post all answers in the Addendum. Exceptions and/or modifications to the terms of the RFP and/or Contract submitted with the Proposal, subsequent to the expiration of the Question and Answer Period, will result in the rejection of the Proposer's Proposal. Furthermore, if an exception or revision to the contract is submitted with the Proposal and it is a material change, the entire bid must be deemed nonresponsive and cannot be evaluated. See In re Request for Proposals #17DPP00144,

		454 NJ Super. 527 (App. Div. 2017). Please be guided accordingly.
16.	<u>Section 3 Scope of Work</u> Please provide the annual spend for each program covered by this solicitation	The programs vary in annual spend based upon budgeted amount and stage of the program. Also, this contract period may cover programs not yet funded.
17.	Page 16, section 3.1: one of the required activities listed for the Contractor is “evaluate NJEDA’s compliance with applicable laws, regulations, codes, orders, procedures, advisory opinions and rulings;” <ul style="list-style-type: none"> a. Can you please clarify the requirement here? b. Does the Authority expect the Contractor to provide legal opinions or conclusions related to compliance? c. Is there any expectation that the Contractor be a certified legal professional or lawyer? d. Who will be responsible for forming any opinions or conclusions related to compliance? e. How will findings or observations related to compliance be assessed between the Contractor and Authority and how will final determinations related to whether a matter is in compliance be made? 	<ul style="list-style-type: none"> a. This will depend on the program. For example, for programs created by the NJERA, applicable laws and regulations include the NJERA itself as well as rules adopted thereunder. However, the NJEDA has a number of pilot programs that do not have authorizing statutes or rules. Each program has, at a minimum, a Board-approved memorandum that includes specifications and eligibility criteria, as well as written policies and procedures. b. No. c. There is no expectation that the Contractor be a certified legal professional or a lawyer. d. The Contractor in consultation with the Authority’s Legal Compliance Management Team. e. The Contractor will draft a report containing findings and observations and discuss them with the Authority prior to finalizing the report.
18.	Page 16, section 3.1: Is there an expectation from the Authority that the Contractor will provide services beyond the delivery of the individual compliance audits? For example, does the Authority expect the Contractor to (1) assist in the development of the annual audit plan or (2) reporting outside of the “written reports” described in Part A of Section 3.2 Deliverables/Timeline?	<p>The Authority has added the requirement of an enterprise risk assessment.</p> <p>The Authority may also rely upon this contract for additional related services depending on the needs of the Authority. As to additional work and services, please refer to RFP Section 5.14 “Additional Work and/or Special Projects.”</p>

19.	<p>Pg. 16, Section 3.2</p> <p>Could you clarify how the programs will be audited on a “rolling basis”? Will the NJEDA be responsible for determining the timeline for when each program will be audited? Will multiple audits be conducted at the same time?</p>	<p>The Authority will select the programs to be audited and from a timing and scheduling perspective will refer each program to the Contractor on a “rolling” basis. Such that an audit will commence, followed by a second one which may (or may not) overlap or coincide at the same time. Consequently, multiple audits may be conducted at the same time.</p> <p>See response no. 5(e).</p>
20.	<p><u>Section 3.2B Deliverables</u></p> <p>If fraud, waste and abuse are identified, will the selected contractor investigate these findings?</p>	<p>If the Contractor discovers any evidence of fraud, waste or abuse, the Contractor shall immediately report that evidence to the Authority’s Chief Compliance Officer or, if the Chief Compliance Officer has a conflict or is unavailable, to the Director Legal Compliance.</p>
21.	<p><u>Page 17, 3.2.A:</u></p> <ol style="list-style-type: none"> a. Is there an NJEDA preferred, standard template for reports? b. Do reports require risk ratings, or responses from the stakeholder? c. What is the internal review process for issue acceptance? d. Will there be exit or close out meetings presenting the report? 	<ol style="list-style-type: none"> a. No. There is not a standard template. b. No. c. Issues will be discussed with NJEDA program and legal compliance management. d. Yes.
22.	<p>If this is not a new venture, what was the previous costs for these services? Pg. 18 section 4.1.1</p>	<p>The existing engagement was awarded for \$282,122.50 per year for 2 years, assuming 11 audits per year. Term was for one year and one extension option year.</p>
23.	<p>What is the anticipated cost of this venture? Pg. 22 section 4.2.2.1</p>	<p>Given the nature of these services, the Authority has not disclosed the anticipated budget for the cost of this venture in the RFP.</p>

		<p>However, please be guided by the terms and requirements of the RFP. Moreover, proposals will be received and evaluated pursuant to the terms of the RFP, including ranking and weighting according to the preestablished evaluation criteria. As said criteria include personnel, experience, ability and pricing/cost.</p>
24.	<p>Pg. 21, Section 4.2.2 Does the NJEDA have an estimated or expected budget for this project?</p>	<p>Please see answer to Question 23.</p>
25.	<p>Are there specific certifications or state registrations required to bid on this venture? Pg. 22 section 4.2.4.1</p>	<p>Please review and ensure that all requirements of the RFP are met. This includes Section 4.2.4.1 that requires the signatory page to be provided with the proposal. See also answer to question 27.</p> <p>The Ownership Disclosure form is also mandatory with the proposal. See Section 4.2.4.2. Please review for all other requirements pertaining to the proposal and fee schedule. See Section 4.2.1 and 4.2.2 respectively.</p>
26.	<p>Page 21, section 4.2.2: For the fee schedule, please confirm a rate card is the only information required. Is there any expectation from the Authority that as part of the proposal submission, fee estimates by audit project or in total for the annual period be provided?</p>	<p>The Fee Schedule attached to the procurement is the requirement as to Section 4.2.2. Pursuant to Section 6.7.2, for evaluation purposes, Proposer's pricing will be ranked and weighted according to the lowest price for all services per the Fee Schedule accompanying this RFP.</p> <p>The Proposer must submit its pricing using the format set forth on the Fee Schedule accompanying this RFP. Proposers are NOT permitted to alter or change the provided Fee Schedule format/category designations. Any additional or supplemented versions of the Authority-supplied Fee Schedule will not be accepted and will result in the Proposer's Proposal deemed non-responsive.</p> <p>However, to further clarify a bidder may as part of their technical proposal submission provide fee estimates by audit</p>

		project or in total for the annual period to be provided.
27.	Page 22, section 4.2.4.1: For a firm that has hundreds of partners, please confirm that for the Signatory Page, the signature of the partner who would be responsible for the engagement is sufficient.	Yes. Requirement for a signatory is an individual who has authority from the firm to enter into the engagement. In other words, the signatory must include the signature of an authorized representative of the Proposer.
28.	How frequent should invoices be sent? Pg. 37 section 5.17	<p>The Contractor shall submit invoices to the Authority (unless a request is made by the Contractor to an alternate billing structure/timeframe at the Initial Meeting), per the Scope of Work/Fee Schedule, once the authorized, completed work is approved by the Authority's Designated Contract Manager.</p> <p>Invoices should be submitted for services rendered no later than ninety (90) days from the date the service was provided/performed.</p>
29.	Page 40, section 6.7.1 - For key personnel / team references, if someone is an employee of the firm proposing, do you require external references from prior jobs or positions? We typically include team member resumes with a description of their experience within the firm, not roles they had before joining the firm. We are happy to provide client references (with contact information) for similar projects the firm has delivered. Please confirm this is acceptable.	Providing client references for similar projects that the firm has delivered is acceptable.
30.	What is the anticipated award date for this contract? Pg. 43 section 7.0	Award and subsequent execution is anticipated to be November / December 2023. The dates are estimates however and may be affected by various factors.
31.	Is this a new function? Or have these audits been completed in the past as well?	No. Audits have been completed in the past by a compliance auditor.
32.	Is the expectation for these audits to be on-site, remote, or a hybrid?	See answers to Questions 2 and 5.

33.	When are the audits expected to take place? Are they spread out throughout the year on consolidated during certain months?	The audits will commence shortly following contract execution and will be throughout the year/contract term. See also answer to Question 5.d.
34.	<p>With reference to Page 4, Section 1.1, can you please provide additional information as to the total grant funds awarded and timeline for each of the following NJEDA's pre-existing programs and / or new initiatives for the following grants:</p> <ul style="list-style-type: none"> a. the Emerge program; b. the NJ Aspire program; c. the Main Street Recovery Finance Program; d. the Innovation Evergreen Fund; e. NJ Programs tied to the Promotion of Urban Centers, including: <ul style="list-style-type: none"> i. the Brownfields Redevelopment Incentive Program; ii. the Historic Property Reinvestment Program; and, iii. the Community-Anchored Development Program. <p>f. The Food Desert Relief program; and</p> <p>g. The New Jersey Community-Anchored Development program</p>	Please see answers to questions 8 through 10 above. Furthermore, please note that the contractor is expected to review a sample as opposed to every grant and expenditure.
35.	What are the actual-to-date and anticipated total amount of expenditures subject to review by the independent compliance auditor?	NJEDA has not yet selected which programs will be referred to the contractor for a compliance audit.
36.	What is the actual or anticipated total budget of all of NJEDA Programs that the independent compliance auditor will monitor / review?	NJEDA has not yet selected which programs will be referred to the contractor for a compliance audit.
37.	Are there existing internal Risk methodology/Assessments that should be considered?	A risk assessment was performed by K2 Integrity in 2020 and another one is currently proceeding under NJEDA's Integrity Oversight Monitor (IOM) contract.
38.	With reference to Page 16, Section 3.0, can you please provide additional information as to what certifications, if any, are required for the proposing firm to be engaged?	Please review Section 4.0 that references all certifications and compliance required with the bid proposal. Please also review the Proposer Checklist as a guide. Certain compliance is required and mandatory with the bid proposal; and

		other compliance is required prior to award.
39.	Please confirm whether there are no MWBE or Veteran-Owned goals, requirements or expectations for this proposal?	Confirmed. However, although there are no mandatory MWBE or Veteran-Owned or Disabled Veteran-Owned goals set forth in the RFP, the Authority encourages participation from same and the use of subcontracting for same. See cover page and Section 4.2.5.6 and 4.2.5.7 for additional information.
40.	What data management systems/programs does EDA currently use to collect, monitor and report grant compliance and anti-fraud analytics?	<p>In accordance with Executive Order 166 and guidance promulgated by the State of New Jersey COVID-19 Compliance and Oversight Taskforce, NJEDA has two Integrity Oversight Monitors that oversee the disbursement of COVID-19 recovery funds and the administration of COVID-19 recovery programs. They serve as an important part of NJEDA's accountability infrastructure while working with us to develop measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 funds.</p> <p>Additionally, the NJEDA performs cross-checks with State of New Jersey agencies including but not limited to the Division of Taxation (Treasury), the Division of Revenue (Treasury), and the Department of Labor. These cross-checks help identify whether an applicant meets the Program's specifications.</p> <p>MS CRM system is used to review applications and analyze data, trends, and produce reports, which range from approvals to suspected fraud.</p> <p>Additionally, the NJEDA has an Information Sharing Memorandum of Understanding with other State agencies and authorities that administer COVID-19 Recovery Funds, and maintains a shared database of grant recipients to ensure no duplication of benefits.</p>
41.	How often does the Authority anticipate on-site monitoring visits will be required?	See answers to Questions 2 and 5.

42.	Can you provide metrics to standardize the bidding process either by providing a number of programs to monitor (greater than and less than \$10 Million) or an estimate of the quantity of hours required for this engagement on a monthly basis?	The NJEDA estimates (but does not guarantee) that it will need approximately eight (8) compliance audits per year. The NJEDA's prior compliance auditor billed a range of 69 hours to 146 hours per program depending on the complexity of the audit.
43.	Does the NJEDA require a specific percentage of grants and expenditures to be reviewed or is that population resultant from the Proposer's review? If the EDA requires a specific percentage, please provide that number.	The NJEDA does not require a specific percentage of grants and expenditures to be reviewed. Rather that population will be dependent upon the Proposer's risk assessment and in discussion with appropriate Authority staff.
44.	3.0 Scope of Work. Are services intended to be performed under AICPA Consulting Standards?	Historically, NJEDA's compliance auditor has conducted performance audits, in accordance with Generally Accepted Government Auditing Standards. Those standards require that the compliance auditor plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and recommendations, based on the audit objectives.
45.	Fee Schedule. Is the contractor able to add additional Standardized/Position Titles?	No. The Fee Schedule is not to be modified. Fee Schedule is to be submitted for evaluation and related purposes. Position Titles should be entered onto the line that most closely matches what is listed on the Fee Schedule. Any such modifications shall result in rejection. See RFP Section 4.2.2.
46.	Exhibit A, Section 2. Would the Authority consider adding the following statement at the end of this Section: "Any such extension shall be memorialized in a mutually agreeable change order?"	The NJEDA is not willing to consider or accept the requested modifications. However, in the event that an extension is exercised by the Authority, an appropriate extension letter documenting same will be sent to the Contractor.
47.	Exhibit A, Section 8. Would the Authority consider adding the phrase "and provided that the defaulting party has failed to cure the default during such thirty (30) days" at the end of this Section?	The NJEDA is willing to accept the proposed modification. Section 8 of the Contract will be amended to add "and provided that the defaulting party has failed to cure the default during such thirty (30) days" at the end of the section.

48.	<p>Exhibit A, Section 11. Would the authority consider removing the word “essential” from the first sentence, as whether timing is essential will depend on the circumstances of the services to be provided?</p> <p>Would the Authority consider adding the phrase “unless such failure is cured within ten (10) days of the time specified” after the phrase “or extension of time granted by the Authority” in this Section?</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>
49.	<p>Exhibit A, Section 14. In paragraph B, would the Authority consider adding the phrase “as set forth in a written Task Order between the parties” at the end of this paragraph?</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p> <p>In addition, this is not a TOR based contract. However, requests from the Authority to provide “reports, certificates and documents as the Authority may reasonably require” will be in writing.</p>
50.	<p>RFP, Section 5.3. Would the Authority agree to include a provision that states that the Contractor would receive payment for such transition services?</p>	<p>The Authority confirms that it will provide payment to Contractor for any such transition services.</p>
51.	<p>RFP, Section 5.9.1 and 5.9.3 (which are the exact same sections repeated). Would the Authority be willing to have the Vendor execute a non-disclosure agreement on behalf of its employees/staff?</p>	<p>These Sections are duplicate. And Section 5.9.3 has been removed.</p> <p>The NJEDA is willing to have the vendor execute a non-disclosure agreement on behalf of its employees and staff.</p>
52.	<p>RFP Section 5.13.3. Would the Authority agree to change the phrase “the price paid and the defaulting contractor’s price” to “the price paid to an alternative supplier for the terminated services, and the defaulting contractor’s price for such services”?</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p> <p>The Authority will maintain its present language:</p> <p>“In the event that the Contractor fails to comply with any material Contract requirements, the Authority may take steps to terminate the Contract in accordance with the Authority’s Contract For Professional Services, Exhibit A,</p>

		<p>authorize the delivery of Contract items by any available means, with the difference between the price paid and the defaulting Contractor's price either being deducted from any monies due the defaulting Contractor or being an obligation owed the Authority by the defaulting Contractor, or take any other action or seek any other remedies available at law or in equity.”</p>
<p>53.</p>	<p>Exhibit A, Section 6 . Would the Authority consider the following changes to this Section?</p> <p>The Contractor shall defend, indemnify, protect and hold harmless the State of New Jersey, and the Authority, and its officers, agents, servants and employees from and against any and all third party suits, claims, demands, losses or damages for bodily injury, death, or damage to real or tangible personal property of any kind to the extent directly and proximately arising out of or claimed to arise out of any negligent or willful act, error, or omission on the part of the Contractor, its officers, agents, servants, employees and subcontractors in the performance of services under this Contract. The Contractor shall, at its own expense, appear, defend and pay all charges for attorneys and all costs and other expenses arising from such suit or claim or incurred in connection therewith. If any judgment shall be rendered against the State of New Jersey and the Authority or its officers, agents, servants, and employees for which indemnification is provided under this Section 6, the Contractor shall, at its own expense, satisfy and discharge the same.</p> <p>The Contractor shall be liable to the Authority for any reasonable costs, as determined by a court of competent jurisdiction, incurred by the Authority to correct, modify, or redesign any technical information, reports, findings, analyses, surveys or drawings generated or produced by Contractor or any Work performed by the Contractor or its subcontractor(s) that is found, during the applicable warranty period as set forth in the applicable Task Order, to be defective or not in accordance with the provisions of the Contract as a result of any</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

	<p>negligent act, error, or omission on the part of the Contractor, its officers, agents, servants, employees and subcontractors. The Contractor shall be given a reasonable opportunity (not less than thirty (30) days) to correct any deficiency.</p> <p>The indemnification obligation set forth in this Section 6 is not limited in any way by the insurance coverage required pursuant to Section 7 of this Contract and shall survive the terms of this contract.</p>	
54.	<p>Exhibit A, Section 7. Would the Authority consider the following changes to this Section?</p> <p>The Contractor shall procure and maintain, at its own expense, liability insurance for damages of the kinds and in the amounts hereinafter provided, from insurance companies licensed, admitted, or approved to do business in the State of New Jersey. The Contractor shall obtain this coverage from A VII or better - rated companies as determined by A.M. Best Company or the equivalent rating from another nationally recognized rating provider. The types and minimum amounts of insurance required are as follows:</p> <p>(a) <u>Commercial General Liability Insurance.</u></p> <p>The minimum limits of liability for this insurance shall be \$1,000,000 per occurrence and \$2,000,000 in the aggregate and cover liability based on property damage, death and bodily injury.</p> <p>The Commercial General Liability Insurance policy shall include the Authority as additional insured specific to the Vendor's acts or omissions in performance under this Agreement. The coverage to be provided under this policy shall be at least as broad as the standard, basic, unamended and unendorsed commercial general liability policy and shall include contractual liability coverage pursuant to policy terms and conditions.</p> <p>(b) <u>Workers' Compensation and Employers' Liability</u></p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

Workers' Compensation Insurance shall be provided in accordance with the requirements of the laws of this State and shall include an endorsement to extend coverage to any State, which may be interpreted to have legal jurisdiction. Employers' Liability Insurance shall also be provided in an amount acceptable to the Authority, \$1,000,000 per accident, \$1,000,000 each employee by disease, and \$1,000,000 policy limit by disease.

(c) Professional Liability Insurance.

The Contractor shall carry Errors and Omissions and/or Professional Liability Insurance sufficient to protect the Contractor from any liability arising out of professional obligations performed pursuant to this Contract. The insurance shall be in the amount of \$1,000,000 each claim and in such policy form as shall be approved by the Authority.

(d) Cyber Liability Insurance.

The Contractor shall carry Cyber Liability Insurance in the amount of \$1,000,000 each claim for wrongful or negligent acts which shall include coverage for breach of the Privacy Act or HIPAA regulations. This coverage will be either a part of or separate from the Professional Liability Insurance.

(e) Automobile Liability Insurance.

The Contractor shall carry Commercial Automobile Liability insurance, at all times. The policy shall cover any owned, hired or non-owned automobiles / vehicles used by the insured or its staff with minimum limits for liability for bodily injury and property damage shall not be less than \$1 million per accident as a combined single limit.

The General Liability, Professional Liability and Cyber Liability Security policies are to be written on a claims-made or occurrence basis. If coverage is written on a claims-

	<p>made basis; the Contractor shall maintain continuous claims-made coverage for the life of the contract and any extensions thereto and for a period of (2) years beyond the expiration of the contract. If continuous claims-made coverage is not maintained, Tail Coverage shall be purchased to cover claims received up to two (2) years beyond the expiration of the contract.</p> <p>Limits indicated above may be provided through a combination of underlying and excess policies as needed.</p> <p>ACORD Certificates of Insurance acceptable to the Authority in respect to each of the aforementioned policies shall be filed with the Authority prior to commencement of Work. All policies and corresponding Certificates must show thirty (30) days' prior written notice of cancellation (10 days' notice for non-payment cancellation) to the Authority. If the insurance policies cannot be endorsed to provide notice of cancellation to third parties, then it is the responsibility of the Contractor to provide notice of cancellation to the Authority within forty-eight (48) hours of receipt of notification from their insurance company unless Vendor obtains replacement coverage meeting the terms and conditions hereunder without lapse.</p>	
55.	<p>Would the Authority consider adding the following limitation on damages to the Agreement?</p> <p>Each party, its affiliates and subcontractors, and their respective personnel shall not be liable to the other party for any claims, liabilities, or expenses relating to or in connection with this Agreement or the Services ("Claims") for an aggregate amount in excess of the fees paid by the Authority to Vendor under this Agreement, except (i) to the extent resulting from their recklessness, bad faith or intentional misconduct, or (ii) for payment for Services performed. In no event shall a party, its affiliates or subcontractors, or their respective personnel be liable to the other party for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect,</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

	<p>incidental, punitive, or exemplary loss, damage, or expense relating to or in connection with this Agreement or the Services. In circumstances where any limitations or exculpations set forth herein are unavailable, the aggregate liability of a party, its affiliates and subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that their conduct bears to all other conduct giving rise to such Claim.</p>	
56.	<p>RFP, Section 5.5. Would the Authority agree to the following changes to this Section:</p> <p>The Contractor shall have sole responsibility for the complete effort specified in the contract, subject to the Authority responsibilities as set forth in a Task Order. If the RFQ/P permits subcontracting, payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due any subcontractor.</p> <p>The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The Contractor shall, without additional compensation, during the applicable warranty period as set forth in a task order, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The Authority shall approve each deliverable that conforms in all material respects to the requirements therefor set forth in the applicable Task Order. Approval of a deliverable shall be deemed given by the Authority if the Authority has not delivered to the Contractor a notice that such deliverable does not conform with the foregoing within fifteen days of delivery. The payment for any of the services shall not be construed as a waiver of any rights that the Authority may have arising of the Contractor's performance of this Contract.</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>
57.	<p>5.5 We propose to revise this section as follows:</p> <p>The Contractor shall have sole responsibility for the complete effort specified in the Contract. If</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

	<p>the RFP permits subcontracting, payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due any Subcontractor.</p> <p>The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the Contract. In order to perform its duties and obligations set forth in this Agreement, Contractor may rely upon any written instructions or information provided to the Contractor by the Authority or its designated representatives that Contractor reasonably believes to be genuine and authorized by the Authority, and Contractor shall have no obligation to independently verify the accuracy, completeness, or authenticity of any such written instructions or information provided to the Contractor by the Authority. The Contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The Authority must notify Contractor of any errors, omissions or other deficiencies within thirty (30) days following delivery of such deliverables and Contractor shall reperform or correct such deficiencies promptly. The approval of deliverables furnished under this Contract shall not in any way relieve the Contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the Authority may have arising out of the Contractor's performance of this Contract.</p>	
58.	<p>5.8 We propose to revise this section as follows:</p> <p>Subject to Contractor's rights in "Contractor's Knowledge" (as defined below) All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the Contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying</p>	Respectfully, the NJEDA is not willing to consider or accept the requested modifications.

~~documentation and print outs, notes and memoranda, written procedures and documents, regardless of the state of completion, tangible work product~~ which are prepared specifically for the Authority by the Contractor or are a result of the services required under this Contract shall be and remain the property of the Authority and shall be delivered to the Authority upon thirty (30) Days' notice by the Authority. ~~With respect to software computer programs and/or source codes developed for the Authority, except those modifications or adaptations made to the Proposer's or Contractor's Background IP as defined below, the work shall be considered "work for hire", i.e., the Authority, not the Contractor or Subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Contract, Contractor or Subcontractor hereby assigns to the Authority all right, title and interest in and to any such material, and the Authority shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available. Notwithstanding the foregoing, Contractor will maintain all ownership right, title and interest to all of Contractor's Knowledge. For purposes of this Agreement "Contractor's Knowledge" means Contractor's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Contractor prior to the Effective Date of this Contract ("Contractor's Preexisting Knowledge") (2) developed or obtained by Contractor after the Effective Date, including during the course of providing services under this Contract, but: (i) which are developed or obtained without using the Authority's Confidential Information, or (ii) which the Authority has not paid for such development; and (3) extensions, enhancements, or modifications of Contractor's Preexisting Knowledge which do not include or incorporate the Authority's Confidential Information. To the extent that any Contractor Knowledge is incorporated into the~~

	<p><u>Deliverables, Contractor grants to the Authority a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Contractor Knowledge in connection with the deliverables, and for no other purpose without the prior written consent of Contractor.</u></p> <p>Should the Proposer anticipate bringing pre-existing intellectual property into a work-for-hire, the intellectual property must be identified in the Proposal. Otherwise, the language in the first paragraph of this section prevails. If the Proposer identifies such intellectual property ("Background IP") in its Proposal, then the Background IP owned by the Proposer on the date of the Contract, as well as any modifications or adaptations thereto, remain the property of the Proposer. Upon Contract award, the Proposer or Contractor shall grant the Authority a nonexclusive, perpetual royalty free license to use any of the Proposer's/Contractor's Background IP delivered to the Authority for the purposes contemplated by the Contract.</p>	
59.	<p>5.9.1 We propose to revise this section as follows:</p> <p>All financial, statistical, personnel, customer and/or technical data supplied by the Authority to the Contractor are confidential (Authority Confidential Information). The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by the Authority that is deemed confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this Contract and may result in Contract termination and the Contractor's suspension or debarment from Authority contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.</p> <p>The Contractor shall assume total financial liability incurred by the Contractor associated with any breach of confidentiality.</p>	Respectfully, the NJEDA is not willing to consider or accept the requested modifications.

~~When requested, the Contractor and all project staff including its Subcontractor(s) must complete and sign confidentiality and non-disclosure agreements provided by the Authority.~~ The Contractor may be required to view yearly security awareness and confidentiality training modules, or other training methods provided by the Authority. Where required, it shall be the Contractor's responsibility to ensure that any new staff ~~sign the confidentiality agreement and~~ complete the security awareness and confidentiality training modules within one month of the employees' start date.

The ~~Authority reserves the right to obtain, or require the~~ Contractor ~~to must~~ obtain, at the Contractor's expense, standard pre-hire criminal history background checks ~~from the New Jersey State Police~~ for all Contractor and project staff (to protect the Authority from losses resulting from Contractor employee theft, fraud or dishonesty). ~~If the Authority exercises this right, the results of the background check(s) must be made available to the Authority for consideration before the employee is assigned to work on the Authority's project.~~ Contractor shall provide certification that such background checks have been completed upon written request from the Authority. Prospective employees with positive criminal backgrounds for cyber-crimes will not be approved to work on Authority Projects. Refer to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

5.9.2 (Data breach) **We propose to revise this section as follows:**

Data Breach: Unauthorized Release Notification: The Contractor must comply with all applicable State and Federal laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification. In the event of a breach of any of the Contractor's security obligations affecting Authority Confidential Information in Contractor's custody or control or other event

	<p>requiring notification under applicable law ("Notification Event"), the Contractor must assume responsibility for informing the Designated Contract Manager within 24 hours promptly and all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State of New Jersey, its officials, and employees from and against any claims, damages, or other harm related to such Notification Event. All communications must be coordinated with the State of New Jersey.</p>	
60.	<p>5.9.2 (End of Contract Handling) We propose to revise this section as follows:</p> <p>End of Contract Handling: Upon termination/expiration of this Contract the Contractor must first return all State data to the State in a usable format as defined in the RFP, or in an open standards machine-readable format if not. The Contractor must then erase, destroy, and render unreadable all Contractor copies of State data according to the standards enumerated in accordance with the State's most recent Information Disposal and Media Sanitation policy, currently the 09-10-NJOIT form at https://www.state.nj.us/it/whatwedo/policylibrary/ and certify in writing that these actions have been completed within 30 days after the termination/expiration of the Contractor within seven (7) days of the request of an agent of the State whichever shall come first.</p> <p><u>Notwithstanding the foregoing, the Contractor (a) will be permitted to retain a copy of such State data, as may be necessary to document its consideration of the potential transaction, for the purpose of establishing compliance with applicable law or regulations (including professional standards) and for defending or maintaining any litigation (including any administrative proceeding) relating to this Agreement or the State data, provided that all such data shall continue to be kept confidential pursuant to the terms of this Agreement; and (b) shall not be required to delete State data from back-up, archival electronic storage maintained in accordance with the Contractor's data retention policies.</u></p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

61.	<p>5.9.3 – 5.9.4 We propose deleting these sections entirely as duplicative.</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p> <p>Section 5.9.3 pertains to “data confidentiality” as Section 5.9.4 pertains to “data security standards.”</p>
62.	<p>5.16 We propose to revise this section as follows:</p> <p>The Contractor shall maintain records <u>related to payment and invoicing</u> for products and/or services delivered against the Contract <u>as necessary to substantiate fees charged for services performed</u> for a period of five (5) years from the date of final payment unless a longer period is required by law. Such <u>payment and invoicing</u> records shall be made available to the State, including the Office of the State Comptroller, for audit and review.</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p> <p>The language as presented is as approved/required by the Office of the State Comptroller and will not modify or revise.</p>
63.	<p>6.3 We propose deleting this section entirely.</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p> <p>However, at this point the Authority does not anticipate that it will need to inspect proposer’s facilities or its establishment prior to or after making an award.</p>
64.	<p>Exceptions to Contract for Professional Services: 4 We propose to revise this section as follows:</p> <p><u>Ownership and Use of Documents. Subject to Contractor’s rights in “Contractor’s Knowledge” (as defined below). All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and / or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, all tangible work product which are specifically prepared for the Authority</u></p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

~~by the Contractor~~ or are a result of the services required under this contract shall be and remain the property of the Authority and shall be delivered to the Authority upon thirty (30) days' notice by the Authority. ~~Regarding software computer programs and / or source codes developed for the Authority, the work shall be considered "work for hire," that is, the Authority, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs and / or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, the Contractor or subcontractor(s) hereby assigns to the Authority all right, title and interest in and to any such material, and the Authority shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available. Notwithstanding the foregoing, Contractor will maintain all ownership right, title and interest to all of Contractor's Knowledge. For purposes of this Agreement "Contractor's Knowledge" means Contractor's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Contractor prior to the Effective Date of this Contract ("Contractor's Preexisting Knowledge") (2) developed or obtained by Contractor after the Effective Date, including during the course of providing services under this Contract, but: (i) which are developed or obtained without using the Authority's Confidential Information, or (ii) which the Authority has not paid for such development; and (3) extensions, enhancements, or modifications of Contractor's Preexisting Knowledge which do not include or incorporate the Authority's Confidential Information. To the extent that any Contractor Knowledge is incorporated into the Deliverables, Contractor grants to the Authority a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Contractor Knowledge in connection with the deliverables, and for no other purpose without the prior written consent of Contractor.~~

	<p>In the event the Contractor’s proposal identifies bringing pre-existing intellectual property into a work-for-hire, the background intellectual property (“Background Intellectual Property”) owned by the Contractor on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the Contractor. This contract, grants to the Authority, a non-exclusive, perpetual royalty-free license to use any of the Contractor’s Background IP delivered to the Authority for the purposes contemplated by the contract and any extensions thereto.</p>	
65.	<p>Exceptions to Contract for Professional Services: 6 We propose to revise this section as follows:</p> <p><u>Indemnification and Limitation on Damages.</u> The Contractor shall defend, indemnify, protect and hold harmless the State of New Jersey and the Authority, and its officers, agents, servants and employees from and against any and all <u>third party</u> suits, claims, demands, losses or damages of any kind <u>to the extent such third party claim is finally determined to be</u> arising out of or claimed to arise out of any act, error, or omission on the part <u>the willful misconduct or fraudulent behavior</u> of the Contractor, its officers, agents, servants, employees and subcontractors in the performance of services under this Contract. The Contractor shall, at its own expense, appear, defend and pay all charges for attorneys and all costs and other expenses arising from such suit or claim or incurred in connection therewith. If any judgment shall be rendered against the State of New Jersey and the Authority or its officers, agents, servants, and employees for which indemnification is provided under this Section 6, the Contractor shall, at its own expense, satisfy and discharge the same.</p> <p>The Contractor shall be liable to the Authority for any reasonable costs incurred by the Authority to correct, modify, or redesign any technical information, reports, findings, analyses, surveys or drawings generated or produced by Contractor or any Work performed by the Contractor or its subcontractor(s) that is</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>

	<p>found to be defective or not in accordance with the provisions of the Contract as a result of any negligent act, error, or omission on the part of the Contractor, its officers, agents, servants, employees and subcontractors. The Contractor shall be given a reasonable opportunity to correct any deficiency.</p> <p>The indemnification obligation set forth in Section 6 is not limited in any way by the insurance coverage required pursuant to Section 7 of this Contract and shall survive the terms of this contract.</p> <p><u>To the extent allowed under applicable law, the aggregate liability (including attorney’s fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under this Contract shall not exceed the fees paid to Contract to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Contract even if the other party has been advised of the possibility of such damages.</u></p>	
66.	<p>Exceptions to Contract for Professional Services: 9 We propose to revise this section as follows:</p> <p><u>Confidential Information of the Authority.</u> In connection with performing the Work, the Contractor, its employees and subcontractors may receive, review and become aware of proprietary, personnel, commercial, and financial information of the Authority, its employees, members, borrowers or business associates that is confidential and/or proprietary in nature (“Confidential Information”). The Contractor agrees that the use and handling of Confidential Information by the Contractor, its employees and subcontractors, shall be done in a responsible manner and solely for furtherance</p>	Respectfully, the NJEDA is not willing to consider or accept the requested modifications.

	<p>of the Work. Other than to its employees and subcontractors who have a need to know Confidential Information in connection with performance of the Work, the Contractor agrees not to disclose any Confidential Information, without the prior written consent of the Authority. The Contractor shall be responsible to assure that its employees and subcontractors do not disclose any Confidential Information without the prior written consent of the Authority. The Contractor shall inform each of its employees and subcontractors that receives any Confidential Information of the requirements of this Section 9 of the Contract and shall require each such employees and subcontractors to comply with such requirements.</p> <p>Notwithstanding the foregoing, the term Confidential Information shall not include information which: (i) is already known to the Contractor, its employees and subcontractors from sources other than the Authority; (ii) is or becomes generally available to the public other than as a result of a disclosure by the Contractor, its employees and subcontractors; or (iii) is required to be disclosed by law or by regulatory or judicial process. The Contractor, its employees and subcontractors may be required to execute a Non-Disclosure Confidentiality Agreement, as may be deemed be appropriate by the Authority, in its sole discretion.</p> <p>Pursuant to Section 6 Indemnification of the Contract, the Contractor shall indemnify and hold the State of New Jersey and the Authority, its employees and members harmless for any breach of Section 9 “Confidential Information of the Authority”, by the Contractor, its employees or subcontractors.</p>	
68.	<p>Exceptions to Contract for Professional Services: 11 We propose deleting this section entirely.</p>	<p>Respectfully, the NJEDA is not willing to consider or accept the requested modifications.</p>
<p>Part 2: Additions, Deletions, Clarifications & Modifications to the RFP</p>		
No	Description	Clarification/Modification

<p>1.</p>	<p>The RFP is amending the term of the contract from a one (1) year contract with the possibility of two (2) twelve (12) month extension options to a three (3) year contract with the possibility of two (2) twelve (12) month extension options.</p> <p>RFP, Section 1.1 The RFP Section 1.1 provides: The intent of this RFP is to award a Contract for an Independent Compliance Auditor for one (1), one (1) year contract with the possibility of two (2), twelve (12) month extension options, if deemed necessary by the Authority and /or CSIT and dependent upon funding, to the responsible Proposer whose proposal, conforming to this RFP is most advantageous to the Authority, price and other factors considered.</p> <p>RFP Section 5.2 The term of the Contract shall be for one (1) year with the possibility of two (2) twelve (12) month extension options, which is at the sole discretion of the Authority and dependent upon funding, at the same terms, conditions, and pricing in effect during the Contract term or rates more favorable to the Authority.</p>	<p>RFP, Section 1.1 The RFP Section 1.1 provides: The intent of this RFP is to award a Contract for an Independent Compliance Auditor for one (1), three (3) year contract with the possibility of two (2), twelve (12) month extension options, if deemed necessary by the Authority and /or CSIT and dependent upon funding, to the responsible Proposer whose proposal, conforming to this RFP is most advantageous to the Authority, price and other factors considered.</p> <p>RFP, Section 5.2 The term of the Contract shall be for three (3) years with the possibility of two (2) twelve (12) month extension options, which is at the sole discretion of the Authority and dependent upon funding, at the same terms, conditions, and pricing in effect during the Contract term or rates more favorable to the Authority.</p>
<p>2.</p>	<p>RFP, Section 3.3 The Authority is amending the Scope of Work to include the preparation of a risk assessment.</p>	<p>The Contractor will be required to work with the Authority's Legal and Compliance, Risk Management and Audit teams to conduct a risk assessment. The risk assessment will focus on identifying risks and analyzing the level of each risk (in terms of both likelihood of occurrence and severity of possible consequences). The Legal and Compliance, Risk Management and Audit teams will work closely with the Contractor to: identify applicable compliance standards and document key workflows, information systems, and transactions.</p> <p>The Authority will provide the Contractor with copies of Annual Reports from the past three (3) years, as well as all audit reports received over the past three (3) years that contain findings and associated corrective action plans. The Contractor will be expected to conduct approximately twenty (20) interviews to obtain input from</p>

		<p>key internal stakeholders. The Contractor may also request additional documents, records and/or information it needs to complete the risk assessment. The Authority will provide such additional documents, records and/or information, or explain why it cannot (for example, because no such documents exist).</p> <p>Using information obtained from the Annual Reports, audit reports, corrective action plans, interviews, and additional documents, records and/or information received, the Contractor will be required to prepare a written risk assessment, addressing primarily credit, market, operational, reputational, and legal/compliance risks. The risk assessment should identify significant risks, quantify those risks and rank or score those risks.</p> <p>Deliverables:</p> <ol style="list-style-type: none"> 1. Risk Assessment Tool that helps identify risk on enterprise-wide basis, based on current control environment. 2. Risk Assessment criteria to determine the probability, magnitude of impact, and likelihood of occurrence of all risk identified areas. 3. Draft Risk Assessment, with comments relating to areas of concern and possible improvement. 4. Final Risk Assessment (after addressing comments received from Authority).
3.	Modifications to RFP	See red-lined revisions to RFP
4.	Modification to Fee Schedule	See revised Fee Schedule
5.		See Federal Statement of Assurances

