

REQUEST FOR PROPOSALS
FOR
INDEPENDENT AUDIT SERVICES



Issued By:

Spokane Airport Board
9000 W. Airport Drive, Suite 204
Spokane, WA 99224

August 6, 2017

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SPOKANE AIRPORT BOARD
REQUEST FOR PROPOSALS
FOR
INDEPENDENT AUDIT SERVICES

Sealed proposals will be accepted until 1:00 PM PDT, Monday September 8, 2017, by the Spokane Airport Board (Board), 9000 W. Airport Drive, Suite 204, Spokane, Washington 99224, to provide the Airport with independent audit services in accordance with the conditions stated in the Request for Proposals (RFP) package.

RFP documents may be obtained from Charlie Pflieger, Accounting Manager, at the above address, by calling (509) 455-6411, by email at charliep@spokaneairports.net or by accessing the Airport website <http://business.spokaneairports.net/rfp/>.

Proposals shall be submitted to the above address and are to be marked: "*Proposal to Provide Independent Audit Services*".

The Board reserves the right to reject any and all proposals, to waive any minor irregularities in the process, to negotiate with any proposers, and to accept the proposal which is considered to be in the best interest of the Board.

The Airport is an Equal Employment Opportunity (EEO) organization which does not discriminate against any prospective firm on the basis of race, religion, color, sex, age, national origin, sexual orientation, or presence of any sensory, mental, or physical disability in the consideration of contract award. Successful proposer will be required to comply with all EEO, federal, state, and local laws and regulations.

Spokane Airports
9000 W. Airport Drive, Suite 204
Spokane, WA 99224



TO: Prospective Audit Firm
FROM: Charlie Pflieger
Accounting Manager
DATE: August 7, 2017
SUBJECT: Independent Audit Services Request for Proposals

Thank you for reviewing this Request for Proposals. We appreciate your interest in providing independent audit services for Spokane Airport.

Please read the information in this packet thoroughly. Proposals have been disqualified because they did not comply with all the requirements of the Airport's Request for Proposals process. We want your proposal to be evaluated on its merits, and not be deemed non-responsive.

Solicitation Schedule:

Advertised	Week of 08/06/17
Posted on Airport Website	Week of 08/06/17
Questions deadline	08/21/17 (1:00 PM PDT)
Responses / Addenda posted	08/25/17 (5:00 PM PDT)
Proposals Due	09/08/17 (1:00 PM PDT)
Review by committee	
Notify Finalists	09/15/17
Presentations, if requested	09/28/17
Finance Committee Recommendation	10/11/17
Airport Board Action	10/19/17

Please contact me at charliep@spokaneairports.net if you have any questions regarding this document or the RFP process.

Sincerely,

Charlie Pflieger, CPA
Accounting Manager
Spokane Airports
509-455-6411

I. INTRODUCTION

Via this Request for Proposals ("RFP"), the Board is seeking to establish a firm, lump sum contract with a qualified independent auditing firm to provide annual independent auditing services for the Board for the next three calendar years, commencing on or before November 13, 2017 for the year ending December 31, 2017, with an option for two additional one-year terms. Services relating to consultation in other areas of accounting and audit may be solicited from other firms at the Board's discretion.

The contract to be executed with successful Proposer shall be in accordance with Section IV. (SCOPE OF SERVICES).

This document outlines the prerequisites, selection process, and documentation necessary to submit a proposal for the requested services. Please carefully read the entire package before submitting your proposal.

Sealed proposals, one (1) original and nine (9) copies, shall be submitted by 1:00 PM PDT on September 8, 2017 to:

Spokane Airport Administration
Spokane Airport
9000 W. Airport Drive, Suite 204
Spokane, WA 99224

All proposals will be date and time stamped upon receipt by Airport staff and shall be opened and reviewed after 1:00 PM on September 8, 2017. All documents listed on the attached Proposal Submission Checklist – Attachment #1 must be submitted in a sealed envelope that is clearly marked: *"Proposal for Independent Audit Services."* It will be the sole responsibility of Proposers to ensure proposals are delivered to Spokane International Airport by the appointed date and time. Late proposals will be returned to the proposer unopened. All responsive proposals will become the property of the Airport and must be provided without cost to the Airport. Except as otherwise provided for herein, proposals which are incomplete or which are not in conformance with the law, may be rejected as non-responsive.

This RFP does not commit the Airport to enter into a contract for the scope of work or to pay any costs incurred in the preparation of a proposal pursuant to this RFP or incurred in subsequent negotiations. It is the intention of the Board to negotiate a contract with the independent firm it deems most beneficial to the Airport.

All proposals shall be considered valid for a period of ninety (90) days from the proposal closing date and shall contain a statement to that effect. Timely proposals received shall be subject to applicable laws and regulations governing public disclosure. Any information received within the proposal will be considered part of the public record of this RFP process.

The Airport reserves the right to reject any and all proposals, to waive minor informalities and irregularities in the proposal submission process, to extend the date for submittal of responses, to request additional information and data from any or all proposers, to supplement, amend or otherwise modify the RFP prior to the closing date, to cancel this request with or without the substitution of another RFP, to reissue the RFP, or to accept a proposal which is considered to be in the best interest of the Airport.

By submittal of a proposal pursuant to this RFP, the proposer certifies that no fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative, official or current consultant of the Board in order to procure the contract described in this RFP. The proposer also certifies that the financial information in its proposal has been arrived at independently and without consultation, communication or agreement with the Board, or other proposers, to restrict competition as to any matter relating to this RFP.

The Spokane Airport and Board is an Equal Employment Opportunity (EEO) organization, which does not discriminate on the basis of race, religion, color, sex, age, marital status, national origin, sexual orientation, or the presence of any sensory, mental, or physical disability in consideration of a contract award. The successful proposer will be required to comply with all federal, state, and local laws and regulations.

PROHIBITION AGAINST LOBBYING

The Proposer shall not lobby, on either an individual or collective basis, the Board (its associated City and County employees, or outside advisors) or any federal, state, or local elected or public officials or staff regarding this RFP or its written proposal. Proposers, the Proposer's acquaintances, friends, family, outside advisors, agents, or other representatives shall not contact the Board (its associated City and County employees, or outside advisors) or any federal, state, or local elected or public officials or Airport staff to arrange meetings, visits, or presentations to influence the outcome of the selection process. Violation of this provision, by or on behalf of a Proposer, intentionally or unintentionally, will result in disqualification of the Proposer and/or rejection of a written proposal.

QUESTIONS, INQUIRIES and CONTACT WITH AIRPORT STAFF

The Board is committed to providing all interested parties with accurate and consistent information in order to ensure that no proposer obtains an undue competitive advantage. To this end, from the date of this RFP through award of contract, the Airport contact is:

Charlie Pflieger
Accounting Manager
9000 W. Airport Drive, Suite 204
Spokane, WA 99224
(509) 455-6411
E-mail: charliep@spokaneairports.net

The Airport's website (www.spokaneairports.net) contains prior years' CAFR and budget information, which is available to assist firms in responding to this RFP.

All questions from Proposers must be submitted in writing, electronically, to charliep@spokaneairports.net no later than 1:00 PM PDT Monday August 21, 2017. It will be the sole responsibility of Proposers to ensure questions are submitted in a timely manner. Answers to questions, other clarifications, and/or addendums will be posted on the Airport's website (www.business.spokaneairports.net/rfp/) no later than 5:00 PM PDT Friday August 25, 2017.

In the event any addendums are issued, proposers shall complete and return the Acknowledgement of Addenda form (Attachment #2) with their proposal.

II. AGENCY BACKGROUND

Spokane Airport is jointly owned by Spokane County and the City of Spokane. The County and City operate the airport under provisions of RCW 14.08 which establishes the operation of airports by more than one municipality under joint agreement. The operating authority of the Airport is the Board, consisting of seven appointees from the two governmental bodies.

The Board operates three facilities, accounted for as departments in one proprietary fund, including Spokane International Airport, Felts Field Airport, and the Airport Business Park. The Airport earned approximately \$33.1 million in operating revenues and received approximately \$15.3 million in non-operating and grant revenues for a 2016.

Spokane International Airport is a commercial service airport encompassing over 5,600 acres and is served by six airlines and two air cargo carriers. The airport processed nearly 3.1 million passengers and 67,677 U.S. air cargo tons in 2016. It is the second largest airport in the State of Washington and recognized by the FAA as a small hub airport.

Felts Field is a 400-acre general aviation reliever airport that is home to approximately 175 aircraft and sixty-five tenants. The airport has one Fixed Based Operator and avionics services are available.

The Airport Business Park is an industrial and business park development that comprises 540 acres. It is strategically located adjacent to the international airport facilities and Interstate 90.

III. REQUIRED QUALIFICATIONS

The following qualifications are intended to ensure the proposer is independent and has adequate experience and expertise to conduct the audit for the Board. The proposer, if awarded a contract, will:

- A. Have, or will obtain, all necessary licenses to do business in the state of Washington. (It is preferred, **however not required**, the proposer has an office located within the Spokane / Coeur d'Alene metropolitan area for the purpose of timely interactions with the Board and staff. Firms headquartered out of the local area will include separately stated expenses related to travel in their proposals.)
- B. Have a minimum of 10 years of demonstrated experience in conducting financial audits of governmental organizations in compliance with applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States.
- C. Demonstrate that staff scheduled to perform the audit collectively possess:
 1. Knowledge of Generally Accepted Government Auditing Standards (GAGAS), Government Financial Officers Association (GFOA) Certification process, *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Circular and PFC Regulations (PFC 14 CFR Part 158) applicable to this audit and the education, skills and experience to apply such knowledge;
 2. General knowledge of the environment in which Spokane Airport operates including the application of both federal and state laws and regulations to municipal corporations, municipalities, and airports (RCW 14.08).
- D. Show verifiable experience working with agencies and public boards with an annual budget greater than \$50 million by providing:
 1. Three references from past governmental audits from entities with budgets greater than \$50 million, including the agency's name, address and phone number along with a contact person's name and title;
 2. Permission to contact the references provided.

3. Copies of, or access to, prior audited financial statements or CAFR's of a similar nature to Spokane Airport.
- E. Provide copies of the two most recent peer review reports.
 - F. Demonstrate that all matters relating to the audit work, the Audit Firm and the individual auditors are free both in fact and appearance from personal, external, and organizational impairments to independence. To assist in determining independence, the current Spokane Airport Board members are listed in the Airport's CAFR website and a list of the Airport's management can be found at www.spokaneairports.net/contact.htm. The proposer will certify their ability to meet the independence standard.

IV. SCOPE OF SERVICES (Base and added alternates)

- A. Base Description: Complete annual financial audit of the Spokane Airport and express an opinion on the fair presentation of its Statement of Net Position and the related Statement of Revenues, Expenses, and Changes in Net Position along with the Statement of Cash Flows.
- B. Auditing Standards: The audit is to be conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- C. Reports to be issued:
 1. Auditor's report on the fair presentation of the financial statements
 2. Auditor's report on the Airport's internal control over financial reporting
- D. Required communication to those charged with governance:
 1. The auditor's responsibility under generally accepted auditing standards;
 2. The planned scope and time of the audit;
 3. Significant findings from the audit;
 4. Difficulties encountered in performing the audit;
 5. Uncorrected misstatements;
 6. Disagreements with management;
 7. Management consultation with other accountants;
 8. Significant issues discussed or subject to correspondence;
 9. Independence; and
 10. Illegal acts of which they become aware of.
- E. Added Alternates (alternates are not considered part of the base proposal and will NOT be considered in awarding a contract. They are listed separately as additions to the proposal for separate consideration and are to be quoted separately):
 1. Conduct audit regarding compliance of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
 - a. Issue Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance in Accordance with The Uniform Guidance;
 - b. Issue Auditor's Report on the Schedule of Expenditures of Federal Awards.
 2. Conduct audit of the Passenger Facility Charge (PFC) Program for Compliance with the Requirements of Federal Regulations (14 CFR Part 158),
 - a. Issue Auditor's Report on Compliance with Requirements That Could have Direct and Material Effect on the Passenger Facility Charge Program;
 - b. Issue Auditor's Report on Internal Control over Compliance in Accordance with the Passenger Facility Charge Program Audit Guide for Public Agencies,
 - c. and Report on the Schedule of Passenger Facility Charge Program Receipts and Expenditures Used.

- F. Time Requirements and Key Dates:
1. Selection of firm at Board Meeting: 10/19/17
 2. Engagement date and commencement of pre-audit and internal control work: 10/19/17
 3. Fiscal Year End: 12/31/17
 4. Field Work to begin approximately: 11/16/17 (see Assistance to Auditors in Section V. below)
 5. Exit Conference with Finance Committee 5/9/18 (tentative)
 6. Final Report due 5/2018
 7. If awarded, completion of Single Audit and PFC Report no later than 5/20/2018

V. **ASSISTANCE TO AUDITORS**

- A. The Finance / Accounting staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations.
- B. In addition:
1. All work-papers are prepared by or reviewed by in-house CPAs;
 2. In house work-papers are prepared on all Balance Sheet accounts and major revenue/expense accounts;
 3. In house work-papers are made available to the auditor during field work;
 4. Draft Comprehensive Annual Financial Report (CAFR) will be available to the auditor at the beginning of fieldwork.

VI. **PROPOSAL SUBMISSION REQUIREMENTS**

- A. See Attachment #1- Proposer's Checklist
- B. Background information on the firm, including the size of firm's governmental audit staff, principal office location, and closest office location to the Board's administrative offices at Spokane International Airport, Spokane, Washington.
- C. An affirmative statement that the firm is independent of the Board as defined by generally accepted auditing standards.
- D. An affirmative statement indicating the firm and all assigned key professional staff are properly licensed, or will obtain proper licenses, to practice in Washington.
- E. Partner, Supervisory and Staff Qualifications and Experience:
1. Designation of partner, or potential partner who will be responsible for your firm's audit on behalf of the Board.
 2. Identify the principal supervisory and management staff, including audit partners, managers, other supervisors and specialists, who would be assigned to the audit.
 3. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit.
 4. Provide information on the airport auditing experience of each person listed above. The firm must provide as much information as possible (resumes preferred) pertaining to the staff expected to be assigned to this audit.
 5. Provide description of how a proposed team will be organized.
- F. The firm is also required to submit a copy of its two most recent external peer review reports, with a statement whether that peer review included a review of specific government audits.
- G. Show verifiable experience working with agencies, corporations, and public boards with an annual budget greater than \$50 million by providing information outlined in III (D) above.
- H. Sample list of reports and/or schedules required by current governmental clients.
- I. Proposed audit schedule and work plan based on the Board's timing requirements listed in Section IV.

J. Proposed fee schedule for contract years one through three. (See Attachment #3)

1. A total all-inclusive maximum price for the 2017 audit.
2. Hourly rates by partner, specialist, supervisory and staff level times and hours anticipated for each.
3. Estimated out-of-pocket expenses and incidentals are to be included and listed in the total all-inclusive maximum proposal for the 2017 audit.
 - a. Include fees for technical review (i.e.: footing, cross-footing, spelling, punctuation, other);
 - b. Include fees for binding thirty (30) color copies of the final report.
4. Proposed all-inclusive amounts for 2017, 2018, 2019.
5. The proposal does NOT include costs incurred in preparing and submitting this proposal. The Airport is NOT responsible for expenses incurred in preparing and submitting this proposal.
6. Should option years four and five be exercised, any increase to fee schedules will be negotiated prior to the expiration of the initial term.
7. An affirmative statement indicating the proposal is valid for a period of ninety (90) days from the proposed closing date of September 8, 2017.

VII. EVALUATION OF PROPOSALS

Each proposal will be evaluated by a selection committee comprised of the Airport's staff and Board members. Finalists selected through the evaluation process will, at the selection committee's discretion, request firms to make oral presentations. Such presentations will provide finalists an opportunity to answer any questions the selection committee may have on a firm's proposal. It is anticipated that should the selection committee allow presentations, those will occur on September 28, 2017. The selection committee will then request Board approval at the October Board Meeting, currently scheduled for October 19, 2017. The Board reserves the right to recommend the contract award based solely upon the original proposal.

The criteria to be used in the evaluation of proposals, along with respective weighted importance, are as follows:

CRITERIA	WEIGHT
1. Technical qualifications related to airport and governmental audit experience on comparable CAFR engagements	40
2. Qualifications and experience of key personnel	30
3. Adherence to instructions for proposal submission	5
4. References	15
5. Cost	<u>10</u>
Total	100

VIII. TERM OF CONTRACT

The term of the awarded contract for audit services shall be three (3) years commencing with the audit requirements related to the fiscal year ending December 31, 2017. At the Board's sole option, two (2) additional one-year terms may be exercised. See the attached sample contract (Exhibit A) to be executed with the successful proposer. The proposer should not sign or return the contract with the proposal, but should be aware of the terms and conditions in the sample and note any exceptions, which may or may not be accepted by the Board.



ATTACHMENTS

Attachment #1

PROPOSAL SUBMISSION CHECKLIST

(Refer also to Section VI "Proposal Submission Requirements")

The following information and documents must be submitted as part of the sealed proposal for the proposal to be considered responsive:

	<u>Attached or Included</u>	
I. Proposal Submission Checklist- Attachment#1	Yes	No
2. Acknowledgement of Addenda – Attachment #2	Yes	No
3. Required affirmative statements- Attachment #3	Yes	No
4. Background information on the firm and staff	Yes	No
a. Partner, Supervisory and Staff		
b. Qualifications and Experience		
c. Proposed Audit Team Organization		
5. Two most recent external peer review reports (including government audit review)	Yes	No
6. Documented and verifiable experience	Yes	No
7. Sample list of required reports or schedules	Yes	No
8. Proposed audit schedule and work plan	Yes	No
9. Proposed Fee Schedule- Attachment #4 (Hourly rates included)	Yes	No

Submission Due Date: Monday September 8, 2017, 1:00 PM PDT

Complete Package (to be completed by Airport Staff): YES _____ NO _____

Attachment #2

ACKNOWLEDGMENT OF ADDENDA

The following form shall be completed and included in the proposal.

Failure to acknowledge receipt of all addenda, if any, may cause the proposal to be considered non-responsive.

The undersigned acknowledges receipt of the following addenda to the documents:

Addendum No. _____, Dated _____

Addendum No. _____, Dated _____

Addendum No. _____, Dated _____

Company Name of Proposer: _____

Company Address: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____

Authorized Signature: _____

Printed Name and Title: _____

Date Signed: _____

Attachment #3

AFFIRMATION STATEMENTS FOR INDEPENDENT AUDIT SERVICES

Company Name of Respondent: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

Authorized Signature: _____

Printed Name and Title: _____

The above authorized individual makes the following affirmations on behalf of the proposing firm:

1. I am authorized to make these affirmations;
2. All answers and statements made in the proposal are true and correct;
3. In preparing this proposal, the financial information contained in it has been arrived at independently and without consultation, communication or agreement with the Board, or other proposers, to restrict competition as to any matter relating to this RFP;
4. No fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative, official, or current consultant of the Board in order to procure the contract described in this RFP;
5. The firm and personnel performing work under any contract related to this RFP are independent of the Board as defined by generally accepted auditing standards;
6. The firm and key personnel are properly licensed, or will obtain proper licenses prior to commencement of services, to practice in Washington;
7. This proposal is valid for a period of ninety (90) days from the closing date of September 8, 2017.

Attachment #4

PROPOSED FEE SCHEDULE FOR INDEPENDENT AUDIT SERVICES

Company Name of Proposer: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

Authorized Signature: _____

Printed Name and Title: _____

Date Signed: _____

Year Ended 12-31-2017	
Item	Amount
Audit Base Cost	
Incidentals (itemize)	
Travel Expense (Itemize)	
Other (Itemize)	
Subtotal	
Alternative 1 – Single Audit	
Alternative 2 – PFC Audit	
Grand Total	

Year Ended 12-31-2017		
Title	Rate	Hours
Partners		
Supervisors		
Staff		
Administrative		
Subtotal		
Specialists		
Other		
Grand Total		

Year Ended 12-31-2018	
Item	Amount
Audit Base Cost	
Incidentals (itemize)	
Travel Expense (Itemize)	
Other (Itemize)	
Subtotal	
Alternative 1 – Single Audit	
Alternative 2 – PFC Audit	
Grand Total	

Year Ended 12-31-2018		
Title	Rate	Hours
Partners		
Supervisors		
Staff		
Administrative		
Subtotal		
Specialists		
Other		
Grand Total		

Year Ended 12-31-2019	
Item	Amount
Audit Base Cost	
Incidentals (itemize)	
Travel Expense (Itemize)	
Other (Itemize)	
Subtotal	
Alternative 1 – Single Audit	
Alternative 2 – PFC Audit	
Grand Total	

Year Ended 12-31-2019		
Title	Rate	Hours
Partners		
Supervisors		
Staff		
Administrative		
Subtotal		
Specialists		
Other		
Grand Total		



EXHIBIT A

SAMPLE

Contract #00-00-0000-000-00

PROFESSIONAL SERVICES AGREEMENT (NON-A&E, NON-AVIATION RELATED)

For

Project Description, Project #00-00-0000

THIS AGREEMENT, made and entered into this ____ day of _____, 2017, by and between SPOKANE AIRPORT, by and through its AIRPORT BOARD, created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, as a joint operation of the City and County of Spokane, municipal corporations of the State of Washington, hereinafter referred to as "Airport," and _____, a Company organized and incorporated in the State of _____, hereinafter referred to as "Consultant."

Consultant shall provide professional services for the _____ Project ##00-00-0000, at the Spokane International Airport(s). Said services shall be in accordance with the Scope of Work - Exhibit A, dated _____, 2017, attached hereto.

WITNESSETH:

The parties hereto agree as follows:

1. TIME OF PERFORMANCE: This Agreement shall run from time of execution by both parties until terminated as provided for herein.
2. MODIFICATION: The Airport may modify this Agreement and order changes in the work whenever necessary or advisable. Consultant will accept modification when ordered in writing by the Airport's designated representative, the time for performance and compensation being mutually agreed upon. Consultant shall make revisions to work included in this Agreement as are necessary to correct errors and omissions appearing therein when required to do so by the Airport

without additional compensation.

3. COMPENSATION: The Airport will pay Consultant per the Scope of Work - Exhibit A, dated _____, 2017, attached hereto. The negotiated fee for said services shall be (on a time and material basis for a not to exceed amount of \$ _____) or (for a lump sum amount not to exceed \$ _____).

The Consultant agrees that any work identified during the project as outside of the original Scope of Work shall be discussed with the Airport prior to execution of such work. A separate written scope and fee will be prepared and forwarded to the Airport for consideration. Any work completed by the Consultant outside of the Scope of Work without express written prior approval from the Airport shall be considered incidental.

4. PAYMENT: Consultant will send its applications for payment to:

Spokane International Airport

Attn: _____ #00-00-0000

9000 W. Airport Drive, Suite 204

Spokane WA, 99224

5. TERMINATION: Airport may terminate this Agreement by thirty (30) days' written notice to the other party and Consultant may terminate this Agreement by sixty (60) days' written notice; provided, however, the party seeking to terminate this Agreement shall not be in default. In the event of such termination, the Airport shall pay Consultant for all services rendered and expenses incurred prior to date of termination. The Airport is not obligated to pay any fees or expenses, which specifically involve negligent acts or omissions on the part of Consultant.
6. COMPLIANCE WITH LAWS: Consultant shall comply with all applicable federal, state, and local laws, regulations, and executive orders, which are incorporated by reference.
7. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION: The Consultant certifies, by execution of this Agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this Agreement.
8. OWNERSHIP OF DOCUMENTS: All drawings, plans, specifications, reports and other related documents prepared by Consultant under this Agreement are and shall be the property of the Airport. Any reuse shall be at the Airport's sole risk.
9. ENDORSEMENT OF PLANS: Consultant shall place its written endorsement on all plans, specifications, reports, or documents developed by Consultant.
10. ASSIGNMENTS: This Agreement is binding on the parties and their heirs, successors, and assigns. Neither party may assign or transfer its interest, in whole or in part, without the other party's prior written consent.

11. LEGAL CLAIMS AND ATTORNEY FEES:

- A. Each party hereto shall promptly report to the other any claim or suit against it arising out of or in connection with Consultant's duties. Subject to paragraphs 20 and 27 of this Agreement, the Airport, and Consultant each have the right to compromise and defend the same to the extent of its own interest; provided the defense of the same has not been tendered and accepted by the other party. Consultant is an independent contractor in every respect, and not the agent of the Airport.
- B. In the event either party requires the services of an attorney in connection with enforcing the terms of this Agreement or in the event suit is brought for the recovery of fees or other sums or charges otherwise payable to Consultant, the prevailing party will be entitled to reasonable attorneys' fees, consultants' fees, witness fees and other costs, both at trial and on appeal. For purposes of calculating attorneys' fees, legal services rendered on behalf of the Airport by public attorneys shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Spokane, Washington.

12. TITLE VI ASSURANCES: During the performance of this Agreement, the Consultant, for itself, its assignees, and successors in interest agrees as follows:

- A. Compliance with Regulations: Consultant shall comply with the Regulations relative to nondiscrimination in Federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.
 - B. Nondiscrimination: The Consultant, with regard to the work performed by them during the Agreement shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.
 - C. Solicitation of Subcontracts Including the Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the Consultant for work to be performed under subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Consultant of the obligations under this Agreement and the Regulations relative to nondiscrimination.
 - D. Information and Reports: The Consultant, and all subcontractors and suppliers of the Consultant, shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Airport or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the Airport or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
 - E. Sanctions for Noncompliance: In the event of the Consultant's non-compliance with the nondiscrimination provisions of this Agreement, the Airport shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to withholding of payments to Consultant until Consultant complies, and/or cancellation, termination, or suspension of the agreement in whole or in part.
13. ANTI-KICKBACK: No officer or employee of the Airport, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Agreement.

14. EXPERT LEGAL TESTIMONY: In the event of any legal or other controversy requiring the services of Consultant in providing expert testimony in connection with any project, except suits or claims by third parties against the Airport arising out of negligent errors or omissions of Consultant, the Airport shall pay Consultant for services rendered in regard to such legal or other controversy, including costs of preparation for controversy. Such payment to Consultant shall be at rates mutually agreed upon.
15. STANDARD PERFORMANCE: Consultant, in carrying out its responsibilities, acts, and duties, shall observe and meet the standard of an experienced and qualified professional consultant familiar with the _____ industry, performing similar services under similar conditions.
16. ACCESS, APPROVALS, and PERMITS: The Airport shall arrange for access to and make all provisions for Consultant to enter Spokane Airport property as required for Consultant to perform its services. Except as may be provided in individual agreements, the Airport shall furnish appropriate approvals and permits from all governmental authorities having jurisdiction over the project and such approval and consents from others as may be necessary for completion of the project.
17. MAINTENANCE OF RECORDS: Consultant shall make available to the Airport's auditor, or his fully authorized representative, all records created as a result of the Agreement including pertinent information which Consultant shall have kept in conjunction with this Agreement and which the Airport may be required by law to include or make part of its auditing procedures, or which may be required for the purpose of funding the service contracted for herein. Consultant agrees to maintain a copy of said records for a minimum of seven (7) years following completion of its services.

INSURANCE:

- A. Consultant shall carry Professional Liability insurance coverage, including coverage for job supervision, in the minimum amount of \$1,000,000, per claim and in the aggregate.
- B. Consultant shall, at its expense, maintain insurance in full force and effect during the term of this Agreement in such amounts as to meet the minimum limits of liability specified below and insurance shall be placed with companies or underwriters authorized to do business in the State of Washington and carry a Best's rating no lower than A-. Failure to obtain and maintain such insurance shall constitute a default under this Agreement. The insurance policy (ies) shall be the standard comprehensive general liability insurance coverage with aircraft exclusion deleted and shall include, but not by way of limitation, bodily injury; property damage; products liability; and contractual coverage. Consultant shall also maintain a vehicular policy insuring any of its vehicular operations on the Airport and the policy shall be issued by a company authorized to do business in the State of Washington. Consultant shall promptly upon execution of this Agreement, furnish to the Airport appropriate certificates of insurance evidencing coverage affected and to be maintained for the term of this Agreement. The coverage shall not be less than \$1,000,000 combined single limit or split limits equal to and not less than \$1,000,000, for bodily injury and property damage with respect to each occurrence; such limits subject to periodic adjustments. The insurance policies shall not be subject to cancellation except after notice to the Airport by registered mail at least thirty (30) days prior to the date of such cancellation. Where any policy (ies) has/have normal expirations during the term of this Agreement, written evidence of renewal shall be furnished to the Airport at least thirty (30) days prior to such expiration. The Airport, its staff, and employees shall be named as additional insured on Consultant's Comprehensive General Liability coverage, with respect to Consultant's use of the Airport and the Premises, which are subject of this Agreement. Upon written request by the Airport, Consultant shall permit the Airport to inspect all originals of all applicable policies. Required additional insured language is as follows: *"The Airport, the City and County of Spokane, their elected officials, agents and employees are additional insured with respects to Liability arising out of the operations of the named insured."*

19. INDEMNIFICATION:

- A. The Consultant shall indemnify the Airport, its elected and appointed officials, agents, employees and representatives (collectively, the "Constituents") from only that portion of any liability that is caused by any negligent act, error, or omission by the Consultant with regard to the professional services it has performed for the Airport, as such liability is finally determined after trial and any appeal thereof. The Airport and the Constituents shall not have comparative fault for selection, administration, monitoring, or controlling the Consultant, or in approving or accepting the Consultant's work. This paragraph shall not nullify, extend, or expand any statute of limitations that is otherwise applicable to any negligence or other claim against the Consultant. This indemnification is not intended to, and does not alter or interfere with any duties that the Consultant may have under its insurance agreements, such as the duty to cooperate fully with the insurer in defending any claims, the duty to obtain the consent of the insurer to pay or compromise any claim, or the duty to refrain from prejudicing the insurer's subrogation rights. This indemnification is solely for the benefit of the Airport and the Constituents and no third party beneficiary or other rights shall be created under this provision.
- B. Consultant hereby agrees to release and hold harmless the Airport and Constituents from any damages to the Consultant caused by noise, vibrations, fumes, dust, fuel particles and all other effects that may be caused by the operation of aircraft landing at or taking off from, or operating at or on the Airport; and the Consultant does hereby fully waive, remise and release any right or cause of action which it may now have or which it may have in the future against the Airport, its successors and assigns, due to such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused or may have been caused by the operation at or on the Airport. The above exception shall not limit a cause of action against other persons or entities, including licensees, concessionaires, or aircraft operators.
- C. Consultant further agrees to hold the Airport and Constituents free and harmless for any claims arising out of the damage, destruction or loss of any or all of Consultant's equipment excluding any claims arising out of the sole negligence of the Airport, the City and County of Spokane, their elected officials, agents and employees.

20. AUTHORIZATION TO PROCEED: Consultant will not begin work on any of the services listed until the Airport provides written direction to proceed.

21. FORCE MAJEUR: Neither the Airport or Consultant shall hold the other responsible for damages nor delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the others employees and agents.

22. HAZARDOUS MATERIALS: Dealing with hazardous materials is not within Consultant's obligations. An amendment to this Agreement will be required for work involving hazardous materials.

23. SERVICES OF CONSULTANT: Unless this Agreement is terminated as specified herein by reason of substantial failure of either party to fulfill its obligations under this Agreement, Consultant shall perform all services specified in this Agreement.

24. SUBMISSION OF AGREEMENT: The submission of this document for examination and negotiation does not constitute an offer or Agreement. This document shall become effective and binding only upon execution and delivery hereof by an authorized representative of each the Airport and Consultant. No act or omission of any officer, employee or agent of the Airport shall alter, change or modify any of the provisions hereof.

25. RELATIONSHIP OF THE AIRPORT AND CONSULTANT: Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture, and no provision contained in this Agreement nor any acts of Consultant and the Airport shall be deemed to create any relationship other than that of Consultant serving as an independent contractor of the Airport.

26. SURVIVAL OF INDEMNITIES: All indemnities provided in this Agreement shall survive the expiration or any earlier termination of this Agreement. In any litigation or proceeding within the scope of any indemnity provided in this Agreement, Consultant shall, at the Airport's option, defend the Airport at Consultant's expense by counsel satisfactory to the Airport.

27. APPLICABLE LAW; VENUE; WAIVER OF TRIAL BY JURY: This Agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of Washington. Jurisdiction and venue for any action on or related to the terms of this Agreement shall be exclusively in either the United States District Court for the Eastern District of Washington at Spokane or the Spokane County Superior Court for the State of Washington, and the parties irrevocably consent to the personal jurisdiction of such courts over themselves for the purposes of determining such action and waive any right to assert a claim for inconvenient forum. In any action on or related to the terms of this Agreement, the parties (for themselves and their successors and assigns) hereby waive any right to trial by jury and expressly consent to trial of any such action before the court.

For Internal Use Only

Project Number: _____

Funding Source: _____

Attachments:

Exhibit A: Scope of Work

Exhibit B: Fee Proposal

IN TESTIMONY WHEREOF, witness the signature of the parties hereto the day and year first above written:

SPOKANE AIRPORT BOARD

APPROVED AS TO FORM

By: _____
Lawrence J. Krauter
Chief Executive Officer

By: _____
Brian M. Werst
General Counsel

CONSULTANT

Printed Name: _____
Title: _____
UBI #: _____

STATE OF _____)

) ss.

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument and stated that he/she was authorized to execute the instrument and acknowledged it as the (Title) _____ of (Firm Name) _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public

Print Name _____

My commission expires _____