



Request for Proposal

For Actuarial Services

Issue Date: March 1, 2019

IMPORTANT

The deadline for receipt for a proposal by Bayshore Fire Protection & Rescue Service District

(The District):

4:00p.m. April 1st, 2019

Proposals received after 04/01/2019 4:00 PM will not be considered.

This document is a Request for Proposal (“RFP”) for Actuarial Consulting Services.

The Bayshore Fire Protection & Rescue Service District (The District) invites proposals from qualified Certified Public Accounting firms, licensed in the State of Florida, to provide Audit Services for the fiscal year ending September 30, 2019. The base term shall be for Four (4) years, with the option to renew on a year-by-year basis for two (2) additional years. Qualified CPA firms must demonstrate extensive experience evaluating Other Post-Employment Benefits (OPEB) for government agencies and Independent Special Districts.

The Bayshore Fire Protection & Rescue Service District (the District) is seeking proposals for Services to conduct actuarial valuation of the District’s Other Post Employment Benefits obligations as required per GASB 75 standards, including reviewing all documents relating to retiree health benefits plan, collecting retiree/employee/former employee data and health plan premiums/claim experience, valuation of liabilities including accumulated post-retirement benefit obligation and annual service cost, and required financial disclosures for a period of four (4) years, with an option to renew for an additional two (2) year term.

Seven (7) copies to include two (2) signed originals and one electronic copy on a thumb drive or e-mailed to tsharp@bayshorefire.org of the proposal must be received no later than 4:00 p.m. on April 1, 2019. Proposals will be distributed to the selection committee with the regular board meeting packet for the April 9, 2019 meeting. The selection committee will review all proposals and will determine at the May meeting which, if any, will be asked to make a presentation to the Board at the June 11, 2019 meeting at 7:00pm. If your presentation is requested you will be notified by May 15, 2019. It is the Board’s objective to make the final determination in time for the budget process which begins in September 2019. No Board meeting is held in July.

I. INTRODUCTION

Bayshore Fire Protection & Rescue Service District (the District) was created in 1976 and codified in 2003 by legislature and is an Independent Special Purpose Governmental Taxing District. The primary purpose of the District is Fire Protection and first response in basic life support capacity. We are currently a single station, combination fire department with 11 paid staff and approximately 25 volunteers serving the district that encompasses approximately 42.5 sq. miles, primarily rural, and serves a population between 7,500 to 12,000.

The District’s paid staff are compulsory members of the Florida Retirement System (FRS) and we currently have no retired staff. More information about the organization can be found at www.bayshorefire.org. The District’s fiscal year runs 10/01 through 09/30.

II. STATEMENT OF WORK

It is the intent of the District to secure the services of a qualified firm to provide Actuarial Services for Other Post-Employment Benefits (OPEB) in order to comply with the Governmental Accounting Standards Board (GASB) Statement No. 75 that establishes standards for the measurement, display, and recognition of OPEB expenses and liabilities. The District currently requires full valuation every other year and interim valuations in between each full, until regulations dictate otherwise. While the District does recognize the liability as required in its financial reports, the District does not currently fund this liability.

B. Scope of Services

The selected firm will complete actuarial valuations of the District's OPEB liability as of September 30, 2020, with an interim valuation for the year 2021; and the same arrangement for the years 2022 and 2023; and optional years 2024 full and 2025 interim. Actuarial services for each biennial valuation shall include, but not be limited to the following:

1. Prepare an actuarial valuation report in accordance with Governmental Accounting Standards Board Statements (GASB) 75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, and any new accounting standards and pronouncements pertaining to OPEB Plan that may become effective during the contract term. The report should include:

ACTUARIAL CERTIFICATION
SUMMARY
SUMMARY OF DISCLOSURE INFORMATION
RECONCILIATION OF TOTAL OPEB LIABILITY AND FIDUCIARY NET POSITIO
EXPENSE FOR FISCAL 2020
ESTIMATED EXPENSE FOR FISCAL 20
LIABILITY GAIN/LOSS
LIABILITY GAIN/LOSS DEFERRED INFLOWS
LIABILITY GAIN/LOSS DEFERRED OUTFLOWS
DEFERRED OUTFLOWS AND INFLOWS PROJECTION
PLAN PARTICIPANTS
PLAN PROVISIONS
ACTUARIAL ASSUMPTIONS AND METHODS
HEALTH CARE CLAIMS DEVELOPMENT
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED
RATIOS
CONTRIBUTION INFORMATION

- a. A narrative description of the principal plan provisions, economic assumptions, including discount rates, health care trend rates, demographic assumptions and actuarial cost method.
- b. Calculation of the GASB 75 actuarial liability, including the actuarial accrued liability (AAL) and the unfunded actuarial accrued liability (UAAL).
- c. A schedule showing the calculation and amortization of the UAAL.

2. Prepare the necessary material for the annual financial statements to comply with GASB OPEB reporting and disclosure requirements.
3. Prepare the annual gain/loss analysis to determine reasons for changes in the unfunded actuarial accrued liability, whenever a prior actuarial valuation is available to support this.
4. Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
5. Prepare a sensitivity analysis showing the impact of alternative assumptions on the employer's contributions (healthcare trend rates and investment rate assumptions).
6. As appropriate, analyze the data to assess any inconsistencies and provide recommendations on managing the OPEB liability. This may include changes in plan design.
7. As appropriate, review and update plan documents and design and provide recommendations.
8. Other professional services as requested needed during term award.

All services are to be provided in accordance with the Actuarial Standards of Practice, the Actuarial Code of Professional Conduct, and the Governmental Accounting Standards Board Statements No. 75.

The estimated completion date of the actuarial valuation report is October 1 of the respective valuation year.

III. GENERAL INFORMATION

The submission requirements for this RFP are set forth below. A proposal shall constitute an irrevocable offer for 120 days following the deadline for its submission. It is anticipated that the Selection Committee will make its decision by September 1, 2019 in time to allow budget planning for the 2019/2020 budget year.

Contact with District personnel in connection with this RFP may not be made other than as specified in this RFP. Unauthorized direct or indirect contact with any District personnel may be cause for rejection of a bid.

A. Submission Requirements

To be considered responsive, a proposal must contain the following, prefaced by a table of contents, referenced by number and in the order below. Proposals may include parts of the original RFP if answering questions asked or used in tailoring a specific response, but should not be included in full unaltered form for filler. If specific submission requirements are particularly large and self-contained (i.e., annual reports, 10-k, users' guide, etc.) they may be included in a separate appendix. Proposals should not direct the evaluation team to visit online sources to obtain information, or include to be provided after award, or provided upon request clauses.

1. A brief description of the history and organization of the bidder's firm, and of any proposed subcontractor. The firm should provide a general description of its business, including size, number of employees, number of credentialed actuaries, primary business, other business or services offered and review any past or contemplated changes in the ownership structure of the firm
2. Copies of business licenses, professional certifications or other credentials, together with evidence that bidder, if a corporation, is in good standing and qualified to conduct business in Florida.
3. A description of firm's experience in providing actuarial and consulting services for governmental entities/plans and a list of governmental entities/plans for which it has performed services similar to those identified under Statement of Work, including experience with retiree, but not exclusive, experience. Indicate the scope of the work, date, supervising actuaries, and the name and telephone number of the principal client contact who would serve as a reference for the firm. List any clients that have been lost in the last five years.
4. Qualifications, background and experience of the project director and other staff proposed to work on the project. The supervising actuary who will be assigned to the engagement should be identified and their contact information provided as well as other actuaries and other personnel who will have key roles in the work should also be identified. The firm should list the number and percent of consulting staff that have left each of the past five years. Brief resumes should be furnished for the key professional staff who will be assigned to this engagement. Summary information should be provided covering the professional qualifications and experience of the supervising and support actuaries and other personnel who would perform the requested work.
5. A general description of the techniques, approaches and methods to be used in completing the project.
6. A detailed cost proposal, including any travel costs and other expenses. As the District may award a contract based on the initial offer, a bidder should make its initial offer on the most favorable terms available. The District reserves the right, however, to have discussions with those bidders falling within a competitive range, and to request revised pricing offers from them and to make an award or conduct negotiations thereafter.
7. The firm should provide an affirmative statement that it is independent of the governmental entity/plan and that it is unaware of any potential conflicts of interest if it were selected to perform the requested work.
8. A written acknowledgement of the acceptance of the Contracting Requirements set forth in section IV of this RFP. Specific terms may be reserved for future negotiation, but must be clearly identified and reasons given for the reservation.

Proposals which fail to address each of the submission requirements above may be deemed non-responsive and will not be further considered. Note that responses to questions must be specifically answered within the context of the submitted proposal. The District's evaluation team will not refer to a designated web site, brochure, or other location for the requested information. Responses that utilize references to external materials as an answer will be considered non-responsive.

B. Rejection of Proposals

The District reserves the right in its sole discretion to reject any or all proposals in whole or in part, without incurring any cost or liability whatsoever. All proposals will be reviewed for completeness of the submission requirements. If a proposal fails to meet a material requirement of the RFP, or if it is incomplete or contains irregularities, the proposal may be rejected. A deviation is material to the extent that a proposal is not in substantial accord with RFP requirements.

Immaterial deviations may cause a bid to be rejected. The District may or may not waive an immaterial deviation or defect in a proposal. The District's waiver of an immaterial deviation or defect will in no way modify the RFP or excuse a bidder from full compliance with the RFP requirements.

Any proposal may be rejected where it is determined to be not really competitive, or where the cost is not reasonable.

Proposals that contain false or misleading statements may be rejected if in the District's opinion the information was intended to mislead the District regarding a requirement of the RFP.

C. Evaluation Process and Highest Scored Bidder

An evaluation team will review, in detail, all proposals that are received to determine the Highest Scored Bidder ("HSB").

Following the initial review and screening of the written Proposals, using the selection criteria described below, some bidders may be invited to participate in an oral interview and/or submission of any additional information as requested by the District.

The District reserves the right to determine the suitability of proposals on the basis of a proposal's meeting administrative requirements, technical requirements, the review team's assessment of the quality and performance of the equipment and services proposed, and cost.

The District may also have discussions with those bidders falling within a competitive range, and request revised pricing offers from such bidders and make an award and/or conduct negotiations thereafter.

This Request for Proposal does not commit the District to awarding a Contract. Bidders shall bear all costs incurred in the preparation of the Proposal and participating in the Proposal evaluation process. The District reserves the right to reject any and all Proposals, to accept the Proposal it considers most favorable in its sole discretion, and to waive minor irregularities. The District further reserves the right to seek new Proposals when such procedure is considered by it to be in the best interest of the District.

1. The following criteria will be used in reviewing and comparing the proposals and in determining the HSB.

- a. Responsiveness of the proposal to the submission requirements set forth in the RFP
- b. Agreement with the District's contracting requirements

c. The technical ability, capacity, and flexibility of the bidder to perform the contract in a timely manner and on budget, as verified by, e.g., the quality of any demonstration, client references, demonstrated success in projects with similar requirements and any other contracts with the District

d. The total cost of the proposal solution. If the proposal contains itemized rates, per piece pricing, or commission-based pricing, the District reserves the right to calculate total contracted cost by calculating rates using either previous known usage activity or future projected volume. Costs will be evaluated only if a proposal is determined to be otherwise qualified. Costs should be itemized by type to allow the District to implement the solution over the term of the contract

2. If a large number of proposals are received, the District reserves the right to review the proposals using a tiered evaluation system. All qualified proposals will be evaluated based on the Submission Requirements and Cost, with the top candidates advancing as finalists and receiving a full evaluation as outlined above.

D. Award and Execution of Contract

Subject to the District's right to reject any or all proposals, the HSB will be awarded the contract. Notice will be posted at the District's website and written notice sent to the successful bidder. Upon selection, the District and the selected Vendor will enter into good faith negotiations on a contract containing, without limitation, the Statement of Work and Contracting Requirements sections below.

No contract or agreement, express or implied, shall exist or be binding on the District before the execution of a written contract by both parties. If agreement on the terms of such a contract cannot be reached after a period deemed reasonable by the District in its sole discretion, the District may enter into negotiations and sign a contract with any other bidder who submitted timely, responsive and responsible proposals to this RFP.

If, after the District and the HSB agree to terms and execute a contract, that contract is terminated for any reason, the District may, in its sole discretion, either enter into negotiations with the next highest scored bidder, or issue a new RFP and begin the proposal process anew.

Questions regarding the District's award of any business on the basis of proposals submitted in response to the RFP, or on any other matter in connection with the selection process, should be addressed in writing to tsharp@bayshorefire.org

Where written notice is required in this RFP, the notice must be sent by U.S. mail and either facsimile or e-mail.

E. Errors in the RFP

If a bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, the bidder should immediately provide the District with written notice of the problem and request that the RFP be clarified or modified. Without disclosing the source of the request, the District may modify the document prior to the date fixed for submission of proposals by issuing an addendum on its website.

If prior to the date fixed for submissions, a bidder knows of or should have known of an error in the RFP but fails to notify the District of the error, the bidder shall bid at its own risk, and if, awarded the contract, shall not be entitled to additional compensation or time by reason of the error or its later correction.

F. Questions Regarding the RFP

Questions regarding the RFP may be addressed in writing to Theresa Sharp at tsharp@bayshorefire.org

All questions must be submitted no later than 5 days prior to the date for submission of proposals. Questions and answers regarding the RFP may be shared with all bidders known to be interested in submitting a proposal.

If a question relates to a proprietary aspect of its proposal and the question would expose proprietary information if disclosed to competitors, the bidder may submit the question in writing, conspicuously marking it as "CONFIDENTIAL." With the question, the bidder must submit a statement explaining why the question is sensitive. If the District concurs that the disclosure of the question or answer would expose proprietary information, the question will be answered, and both the question and answer will be kept in confidence. If the District does not concur regarding the proprietary nature of the question, the question will not be answered in this manner and the bidder will be notified.

A bidder who believes that one or more of the RFP's requirements is onerous or unfair, or unnecessarily precludes less costly or alternative solutions, may submit a written request that the RFP be changed. The request must set forth the recommended change and reason for proposing the change. The District must receive any such request no later than 5 days before the deadline for submitting proposals.

G. Addenda

The District may modify the RFP prior to the date fixed for submission by posting, mailing, emailing or faxing an addendum to the bidders known to be interested in submitting a proposal. If any bidder determines that an addendum unnecessarily restricts its ability to bid, it must notify the District in writing no later than 5 days before the deadline for submitting proposals.

H. Withdrawal and Resubmission/Modification of Proposals

A proposal may be withdrawn at any time prior to the deadline for submitting proposals by notifying the District in writing of its withdrawal. The notice must be signed by the bidder. The bidder may thereafter submit a new or modified proposal, provided that it is received at the District no later than the deadline.

Modification offered in any other manner, oral or written, will not be considered. Proposals cannot be changed after the evaluation process begins.

I. Protest Procedure

A bidder may protest the award if it meets all the following conditions:

1. The bidder has submitted a proposal that it believes is or should have been the HSB, under the criteria set forth above;
2. The bidder believes that its proposal meets the District's administrative and technical requirements, proposes services of proven quality and performance, and offers a competitive cost to the District; and
3. The bidder believes that the District has incorrectly selected another bidder.

A bidder qualified to protest should contact Theresa Sharp, CDM, Office, (239) 543-3443, to attempt an informal resolution. If this contact is unable to resolve the protest to the bidder's satisfaction, the bidder must file a written protest within 5 days of the notice of intention to award the contract. The written protest must state the facts surrounding the issue and the reasons the bidder believes the award to be invalid. The protest must be sent by certified or registered mail or delivered personally to:

Bayshore Fire Protection & Rescue Service District
17350 Nalle Rd.
N. Ft. Myers, FL 33917
Attention: Lawrence Nisbet, Fire Chief

Protests will be reviewed and decided by the District's Award Protest Team within 30 days after the District issues written acknowledgment of the protest. In the event that a protest is filed, the contract award will be postponed pending resolution of the protest.

J. News Releases

News releases pertaining to the award of a contract may not be made without the prior written approval of the District.

K. Disposition of Materials

All materials submitted in response to an RFP will become the property of the District and will be returned only at the District's option and at the expense of the bidder. One copy of each proposal will be retained for the District's official files and become a public record. Specific limited pages of a proposal, not including proposed cost and compensation, may be marked as proprietary and confidential. The entire proposal cannot be deemed confidential. By submitting a proposal, a bidder agrees to these terms and waives any right to pursue a cause of action for damages incurred as a result of the release of any information contained in a proposal.

IV. CONTRACTING REQUIREMENTS

Upon selection of a vendor, the terms set forth in this RFP are to be embodied in a definitive agreement containing such additional covenants and other provisions as may be mutually acceptable.

The District contemplates that, in addition to the terms described above in this RFP, final agreement between the District and the selected vendor will include, without limitation, the following terms. Submission of a proposal shall constitute agreement to contract on these terms, except for any term specifically reserved in the proposal for future negotiation.

A. Time of Essence

Time is of the essence with respect to Vendor's performance of the services and equipment to be provided in the final agreement.

B. Warranties and Representations

Vendor warrants and represents that it possesses such expertise, experience and resources to perform the scope of services required in a diligent, timely and professional manner consistent with the standards of the industry. Vendor represents and warrants that none of its work performed under this Agreement will infringe on the rights of third parties. Vendor will supply at all times an adequate number of well-qualified personnel to perform the work. Vendor will provide a contact person available and authorized to remedy any non-conformity with this warranty. If any of Vendor's work is found to be infringing, Vendor will correct the work to be non-infringing at no charge to the District.

C. Equipment, Tools, Supplies

The Vendor will supply all equipment, tools, supplies, offices, personnel, instrumentalities, transportation, support services and insurance required. The Vendor is not required to purchase, rent or hire any equipment, tools, supplies, offices, transportation, personnel, insurance or instrumentalities from the District. The District has no obligation whatsoever to provide any equipment, tools, supplies, offices, personnel, instrumentalities, transportation, support services or insurance required to perform services under this agreement.

D. Indemnity Obligations of Vendor

Vendor will indemnify and defend the District (including its Board of Commissioners, officers, director, agents, employees and volunteers, as the same may be constituted from time to time) from all claims, demands, damages, debt, liability, obligations, cost, expense, lien, action or cause of action (including but not limited to actual damages, fines and attorneys' fees, whether or not litigation is actually commenced) arising out of: (i) the material breach by Vendor of any warranty, representation, term or condition made or agreed to by Vendor; (ii) all products and services prepared by or for Vendor hereunder and provided to the District; (iii) any claim or action for personal injury, death or otherwise involving alleged defects in Vendor's business or any of its products or services provided to the District; (iv) any breach by Vendor of any statutory or regulatory obligation; (v) the actual or alleged infringement by Vendor of any patent, copyright, trademark or other proprietary right of any person or entity; and/or (vi) any act or omission of Vendor, its employees, agents or subcontractors.

E. Insurance Obligations of Vendor

The Vendor will provide and keep in full force and effect during the term of this agreement, at the Vendor's own cost and expense, the following insurance policies for the joint benefit of the Vendor and the District, with an insurer reasonably acceptable to the District:

1. Commercial general liability insurance with a general aggregate limit (other than products/completed operations) of at least Two Million Dollars (\$2,000,000.00); at least One Million Dollars (\$1,000,000.00) personal and advertising injury limit; at least One Million Dollars (\$1,000,000.00) premises and operations limit; at least One Million Dollars (\$1,000,000.00) each occurrence limit;

2. Workers' compensation coverage as required by law, together with employer liability coverage with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence.
3. Comprehensive automobile liability insurance covering owned, leased, hired and non-owned vehicles with at least One Million Dollars (\$1,000,000.00) combined single limit.
4. Professional liability insurance with a general aggregate limit of Two Million Dollars (\$2,000,000) and an occurrence limit of two Million Dollars (\$2,000,000).

Additionally, if the Vendor assigns any portion of the duties under this agreement, each subcontractor or assignee will purchase and maintain the same insurance coverage required hereunder.

The Vendor will immediately notify the District if the Vendor's commercial general liability insurance contains restrictive endorsements other than those restrictive endorsements normally included in the State of Florida. If the Vendor's commercial general liability insurance contains such restrictive endorsements, the Vendor shall have five (5) business days to remove said restrictions. If the Vendor is unable to do so, the District may terminate this agreement, and will be required to give the Vendor no more than two (2) days' notice of such termination, anything in this agreement to the contrary notwithstanding.

F. Termination

1. At Will. The agreement may be terminated by the District, in its sole and complete discretion, upon thirty (30) days written notice to Vendor. In the event of termination pursuant to this section, the vendor's sole compensation will be for that portion of services performed or goods delivered up to the date of termination, together with reimbursable expenses, if any then due. Vendor will not be paid for any services, goods or reimbursable expenses associated with any work or service not specifically authorized by the District.

2. Authorization of Funds. If the term of this agreement extends into fiscal year(s) subsequent to that in which it is signed, it is understood that the continuation of this contract is subject to the authorization of sufficient funding for such purpose by the District. If sufficient funds are not so authorized, the parties mutually agree that the contract may be terminated or amended as appropriate in response to the reduction in funding. If the agreement is terminated, Contractor agrees to take back any affected equipment, products, software, or hardware furnished under this contract, and relieve the District of any further obligation, except for the District's obligation to pay for services already performed pursuant to this agreement.

3. Default by Vendor. This agreement may be terminated by the District upon fifteen (15) days written notice to the Vendor in the event the Vendor is in default under any of its provisions. In the event this agreement is terminated due to the default by the Vendor, the Vendor will not be entitled to receive any compensation for services performed or for any reimbursable expenses incurred, and the District will have the right to have the services completed by other parties and the Vendor will reimburse the District for the actual costs to complete the services in excess of the balance of the fee and reimbursable expenses, if any, provided for in this agreement. Any such act by the District will not be deemed a waiver of any other right or remedy of the District, including, without limitation, the District's right to consequential damages caused directly or indirectly by the Vendor's default.

4. Automatic Termination. This agreement will automatically terminate on the occurrence of any of the following events: (a) bankruptcy or insolvency of either party; (b) sale of the business of either party; (c) failure to comply with federal, state or local laws, regulations or requirements, or (d) expiration of the agreement.

G. Confidentiality and Publicity

The Vendor will retain all information provided by the District in the strictest confidence and will neither use it nor disclose it to anyone other than employees requiring the information to perform services under this agreement without the prior written consent of the District. The District retains the right to enjoin any unauthorized disclosure in an appropriate court of law. The Vendor will not issue any public announcements concerning the District without the prior written consent of the District.

H. Compliance with Laws

The Vendor agrees to comply with all applicable federal, state, and local laws and regulations. Vendor agrees to include the non-discrimination and compliance provisions of this clause in any and all subcontracts to perform work under the agreement.

I. Assignment/Subcontracting

1. Assignment. The Vendor will not assign or transfer its interest, in whole or in part, under this agreement, without the written consent of the District, which consent may be granted or withheld in the sole and absolute discretion of the District.

2. Subcontracting. The Vendor may subcontract with other qualified firms or individuals as required to complete all, or a portion of, the delivery of equipment and services, with the prior written approval of the District.

The Vendor will clearly describe the reason for using any subcontractors, the specific role each subcontractor will play in the project, and the relationship between the Vendor and its subcontractor to be maintained during the term of this agreement. No subcontract will be approved unless the Vendor provides a written guarantee that the Vendor's firm will be contractually obligated to assume all project responsibilities and the insurance requirements set forth above.

J. General Provisions

1. Force Majeure. Neither party will be deemed in default of this agreement or any provision hereunder to the extent that any delay or failure in the performance of the obligations of such party (other than the payment of money) results from any significant and material causes beyond its reasonable control and without fault or negligence by such party. Examples of such causes include, but are not limited to, (1) acts of God or public enemy, (2) acts of the government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) embargoes, (9) earthquakes, and (10) unusually severe weather.

2. Governing Law. The agreement will be governed by the laws of the State of Florida without giving effect to its principles of conflict of laws.

3. Attorneys' Fees. In the event either party institutes any action or proceeding against the other party relating to this agreement, the unsuccessful party in such action or proceeding will reimburse the successful party for its disbursements incurred in connection therewith and for its reasonable attorneys' fees as fixed by the court. In addition to the foregoing award of attorneys' fees to the successful party, the successful party in any lawsuit shall be entitled to collect or enforce the judgment. This provision is separate and several and shall survive the merger of the agreement into any judgment.

4. Audit. Vendor agrees that the District or its designee shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. Vendor agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Vendor agrees to allow the District or its designee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Vendor agrees to include a similar right of the District or its designee to audit records and interview staff in any subcontract related to performance of this Agreement.

5. License. In those instances where required, the Vendor represents and warrants that the Vendor holds a license, permit or special license to perform the services pursuant to this agreement, as required by law, or employs or works under the general supervision of the holder of such license, permit or special license and shall keep and maintain all such licenses, permits or special licenses in good standing and in full force and effect at all times while the Vendor is performing the services pursuant to the agreement.