

CONTRACT
MA-003-26010507
FOR
INDEPENDENT AUDITING AND RELATED SERVICES -
FISCAL YEARS ENDING JUNE 30, 2026, 2027 and 2028
BETWEEN
AUDITOR-CONTROLLER
AND
CROWE LLP



Attachment A

**CONTRACT MA-003-26010507
BETWEEN
COUNTY OF ORANGE AUDITOR-CONTROLLER
AND
CROWE LLP
FOR
INDEPENDENT AUDITING AND RELATED SERVICES -
FISCAL YEARS ENDING JUNE 30, 2026, 2027 AND 2028**

This Contract MA-003-26010507 for Independent Auditing and Related Services – Fiscal Years ending June 30, 2026, 2027 and 2028 (Contract) is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California (“County”), and Crowe LLP, (Contractor), with County and Contractor sometimes referred to as Party or collectively as Parties.

ATTACHMENTS

This Contract is comprised of this document and the following Attachments, which are attached hereto and incorporated by reference into this Contract:

Attachment A – Scope of Work

Attachment B – Pricing and Compensation

Attachment C – County Provided Resources

Attachment D – Project Plan / Timeline (dates to be modified)

Attachment E – HIPAA Business Associate Addendum

Exhibit A – Crowe Letter of Agreement/Engagement Terms

RECITALS

WHEREAS, Contractor and County are entering into this Contract for Independent Auditing and Related Services for the County of Orange for the fiscal years ending June 30, 2026, June 30, 2027, and June 30, 2028 under a firm fixed fee Contract; and

WHEREAS, Contractor represented that it is qualified to provide Independent Auditing and Related Services as further set forth in the Scope of Work, attached hereto as Attachment A; and

WHEREAS, County agrees to pay Contractor based on the schedule of fees set forth in Payment/Compensation, attached hereto as Attachment B; and,

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES**GENERAL TERMS AND CONDITIONS****1. Governing Law and Venue:**

This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

2. Entire Contract:

This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Procurement Agent or designee.

3. Amendments:

No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.

4. Taxes:

Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to Contractor.

5. Delivery:

To the extent that County's right to accept the deliverables and services does not violate the applicable professional standards, County reserves the right to refuse any commodities and services and to cancel all or any part of the commodities not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed scope of work. Notwithstanding the forgoing, services not rejected in writing within the Acceptance Period will automatically be deemed accepted.

Attachment A

6. Acceptance Payment:

Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all services have actually been performed and 2) payment shall be made in arrears to the extent that County's right to accept the deliverables and services does not violate the applicable professional standards, after acceptance.

7. Warranty: Intentionally Omitted.

8. Patent/Copyright Materials/Proprietary Infringement: Intentionally Omitted.

9. Assignment:

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.

10. Non-Discrimination:

In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.

11. Termination:

In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of Contractor. Exercise by County of its right to terminate Contract shall relieve County of all further obligation.

12. Consent to Breach Not Waiver:

No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

13. Independent Contractor:

Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its

Attachment A

employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.

14. Performance Warranty:

Contractor shall perform all services under this Contract in accordance with applicable professional auditing standards and taking necessary steps and precautions to perform the work in accordance with such standards. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other commodities/services furnished by Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in accordance with applicable professional standards; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the services. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

15. Changes:

Contractor shall make no changes in the work or perform any additional work without County's specific written approval.

16. Change of Ownership/Name, Litigation Status, Conflicts with County Interests:

Contractor agrees that if there is a change of control of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of the County. For purposes of this paragraph, a "change of control" shall occur only upon a change in ownership of more than 50% of the equity interests in the partnership within a twelve (12) month period.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to, establishing rules

Attachment A

and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

17. **Force Majeure:**

Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.

18. **Confidentiality:**

Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.

19. **Compliance with Laws:**

Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with those standards, laws, statutes, restrictions, ordinances, requirements, and regulations directly applicable to Contractor's provision of services under this Contract (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County, to the extent such laws are known or reasonably knowable by Contractor.

Contractor shall remain in compliance and in good standing, maintaining current and active business entity and/or nonprofit registration status, with all applicable federal, state and local registration requirements at the time of execution of the contract through the duration of the term of the Contract, and shall provide annual confirmation of current and active status to County through the term of the Contract.

20. **Freight:**

Prior to County's express acceptance of delivery of products. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under Contract.

21. **Severability:**

If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Attachment A

22. Attorney Fees:

In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.

23. Interpretation:

This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.

24. Employee Eligibility Verification:

Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. Contractor shall indemnify, defend and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract, to the extent such violation is caused by Contractor's acts or omissions.

25. Audits/Inspections:

Contractor agrees to permit County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by County) access a date and time mutually agreed upon to those books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor directly applicable to Contractor's performance of services under this Contract for the purpose of auditing or inspecting any aspect of performance under this Contract, subject to Contractor's confidentiality obligations to third parties and professional standards. The inspection and/or audit will be confined to those matters connected with the performance of Contract including, but not limited to, the costs of administering Contract. County will provide at least ten (10) business days' advance written notice of such an audit or inspection.

County reserves the right to audit and verify Contractor's records before final payment is made.

Attachment A

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment or such longer period as required by applicable professional standards or law, whichever is longer, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should Contractor cease to exist as a legal entity, Contractor's records pertaining to this Contract shall be forwarded to County's project manager.

26. Contingency of Funds:

Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.

27. Expenditure Limit:

Contractor shall notify County of Orange assigned Deputy Procurement Agent in writing when the expenditures against Contract reach 75 percent of the dollar limit on Contract. County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on Contract unless a change order to cover those costs has been issued.

28. California Public Records Act:

Contractor and County agree and acknowledge that all information and documents related to the award and performance of this Contract may be subject to disclosure pursuant to the California Public Records Act, California Government Code Section 7920.000 et seq. Contractor shall not respond to any California Public Records Act request directed at County; all responses shall be handled by County.

Attachment A

INDEMNIFICATION AND INSURANCE PROVISIONS

29. Indemnification

Contractor agrees to indemnify, defend, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature to the extent caused by Contractor while performing its services pursuant to this Contract. Notwithstanding anything in the foregoing to the contrary and for purposes of clarification, this indemnification shall not apply to claims arising from Contractor's performance or professional services in accordance with applicable auditing standards. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment. Notwithstanding anything stated above, nothing contained herein shall relieve Contractor of any insurance requirements of obligations created elsewhere in this Contract.

30. General Insurance Requirements

Prior to the provision of services under this Contract, the Contractor agrees to carry all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage current, provide Certificates of Insurance, and endorsements to the County during the entire term of this Contract.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIR)'s shall be clearly stated on the Certificate of Insurance. Any SIR in excess of Fifty Thousand Dollars \$50,000 shall specifically be approved by the County's Risk Manager, or designee. The County reserves the right to require current audited financial reports from Contractor. If Contractor is self-insured, Contractor will indemnify the County for any and all claims resulting or arising from Contractor's services in accordance with the indemnity provision stated in this contract.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**).

Attachment A

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below.

Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

All insurance policies required by this Contract shall waive all rights of subrogation against the **County of Orange, its elected and appointed officials, officers, employees, and agents** when acting within the scope of their appointment or employment.

Contractor shall provide thirty (30) days prior written notice to the County of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation is due to non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within ten (10) days of notification by CEO/Procurement or the agency/department procurement division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not provide acceptable Certificates of Insurance and endorsements to County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

Commercial General Liability Minimum limits and coverage

\$1,000,000 per occurrence; \$2,000,000 aggregate

Required Coverage Forms

The Commercial General Liability coverage shall be written on occurrence basis utilizing Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

Attachment A

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- A. An Additional Insured endorsement using ISO form CG 20 26 04 13, or a form at least as broad naming the County of Orange its elected and appointed officials, officers, employees, and agents as Additional Insureds, or provide blanket coverage, which will state As Required by Written Contract.
- B. A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary, and any insurance or self-insurance maintained by the County shall be excess and non-contributing.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Automobile Liability including coverage for owned, non-owned and hired vehicles Minimum limits and coverage

\$1,000,000 combined Single Limit

Required Coverage Forms

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Workers' Compensation Minimum limits and coverage

Statutory

Required Endorsements

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents, and employees* or provide blanket coverage, which will state *As Required by Written Contract*.

Employers Liability Insurance Minimum limits and coverage

\$1,000,000 per accident or disease

ADDITIONAL TERMS AND CONDITIONS

1. Scope of Contract:

This Contract specifies contractual terms and conditions by which County will procure Independent Auditing and Related Services for the County of Orange for the fiscal years ending June 30, 2026, June 30, 2027, and June 30, 2028. Items from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as “Attachment A”.

2. Term of Contract:

The initial term of this Contract shall become effective Friday, May 1, 2026 and shall continue for three (3) calendar years, unless otherwise terminated as provided herein.

3. Renewal:

This Contract may be renewed by mutual written agreement of both Parties for two (2) years. The County does not have to give reason if it elects not to renew. Renewal periods may be subject to approval by the County of Orange Board of Supervisors.

4. Breach of Contract:

The failure of Contractor to comply with any of the material provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- A. Terminate Contract immediately, pursuant to the General Terms and Conditions section, "Termination" Article herein;
- B. Afford Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
- C. Discontinue payment to the Contractor for and during the period in which Contractor is in breach; and

5. Conflict of Interest – Contractor’s Personnel:

Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in conflict with the best interests of County. This obligation shall apply to Contractor, Contractor’s officers, directors, employees, agents, and subcontractors associated with accomplishing work and services hereunder. Contractor’s efforts shall include but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of County.

Contractor shall notify County, in writing, of any potential or actual conflicts of interest between Contractor and County that may arise prior to, or during the period of, Contract performance, including, but not limited to, whether any known County public officer’s child is an officer or director of, or has an ownership interest

Attachment A

of ten (10) percent or more in, Contractor. While Contractor will be required to provide this information without prompting from County any time there is a change regarding conflict of interest, Contractor must also provide an update to County upon request by County.

6. Conflict of Interest – County Personnel:

County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. Contractor shall not, during the period of this Contract, employ any County employee for any purpose.

7. W-9/W-8 Requirements:

Department of the Treasury, Internal Revenue Service Form W-9 Requirement:

Effective June 3, 2006, all Contractors, entering into a contract with the County, who are not already established in the County Financial System as an Auditor-Controller Vendor, will be required to submit to the County a federal Form W-9, or form W-8 for foreign vendors. The County will inform the Contractor at the time of award, if the Form W-9, or W-8, will be required.

- A. In order to comply with this County requirement, within ten days of notification of selection of award of Contract but prior to official award of Contract, the selected Contractor agrees to furnish to the contract administrator, the County DPA, the required W-9 or W-8. *Out of State Vendors may be required to submit a 587/590 Form.*

8. Contractor's Project Manager and Key Personnel:

Contractor shall appoint a Project Manager to direct Contractor's efforts in fulfilling Contractor's obligations under this Contract. This Project Manager shall be subject to approval by County and shall not be changed without the written consent of County's Project Manager, which consent shall not be unreasonably withheld.

Contractor's Project Manager shall be assigned to this project for the duration of Contract and shall diligently pursue all work and services to meet the project timelines. County's Project Manager shall have the right to require the removal and replacement of Contractor's Project Manager from providing services to County under this Contract. County's Project manager shall notify Contractor in writing of such action. Contractor shall accomplish the removal within five (5) business days after written notice by County's Project Manager. County's Project Manager shall review and approve the appointment of the replacement for Contractor's Project Manager. County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under Contract.

9. Contractor's Expense:

The Contractor will be responsible for all costs related to photocopying, telephone communications, fax communications, and parking while on County sites during the performance of work and services under this Contract. The County will not provide free parking for any service in the County Civic Center.

Attachment A

Parking: The County of Orange will provide designated parking locations for Contractor to park at no charge at the 1770 N. Broadway, Santa Ana, CA 92706 location while performing work related to this Contract. The County will not provide free parking for any service in the County Civic Center. Parking fees and parking violation received while performing work related to this Contract will not be paid or reimbursed by the County

10. Contractor's Records:

Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by Contractor which is substantially in accordance with generally accepted accounting principles. These records shall be stored in Orange County or made available electronically or at Contractor's offices for a period of three (3) years after final payment is received from County. Storage of records outside Orange County will require written approval from County of Orange assigned Deputy Procurement Agent, which approval shall not be unreasonably withheld.

11. Conditions Affecting Work:

Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to County. County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by County are expressly stated in Contract.

12. Cooperative Contract:

This Contract is a cooperative contract and may be utilized by all County of Orange departments.

The provisions and pricing of this Contract may be extended, at the option of Contractor, to any Municipal, County, Public Utility, Hospital, Educational Institution, or any other non-profit or governmental organization (the "Cooperative Program"). Parties in a Cooperative Program wishing to use this Contract will be responsible for issuing their own purchase documents / price agreements, providing for their own acceptance, and making any subsequent payments. Contractor shall be required to include in any agreement entered into with another agency or entity that is entered into pursuant to the provisions and pricing of this Contract a clause that binds the parties to the agreement to "indemnify, defend, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature to the extent caused by Contractor while performing its services pursuant" under the agreement. Notwithstanding anything in the foregoing to the contrary and for purposes of clarification, this indemnification shall not apply to claims arising from Contractor's rendering of professional services in accordance with applicable auditing standards". Failure to so include this clause voids the Contract's extension to a Cooperative Program and will be considered a material breach of this Contract and grounds for immediate Contract termination. The cooperative entities are responsible for obtaining all certificates of insurance and bonds required. The County of Orange makes no guarantee of usage by other users of this Contract.

Attachment A

As a cost-recovery mechanism for County, a 2 percent administrative rebate on total sales from all subordinate contracts will be paid to the County for any contracts the Contractor agrees to enter into with another agency or entity, other than the County of Orange or a department thereof, under the provisions and pricing of this Contract, provided that Contractor may increase pricing to such other agencies to account for this rebate. The County has partnered with Pavilion, a third-party administrator, responsible for managing all reporting and payments under this Cooperative Program. The Contractor shall provide quarterly Volume Sales Reports about additional sales to other entities under the provisions and pricing of this Contract. The Reports shall include the ordering agency, detail of items sold including description, quantity, and price, and shall include all transactions pertaining to sales under the Contract provisions and pricing for that Reporting Period. Contractor shall provide the Volume Sales Reports regardless of whether or not any sales have been conducted. Failure of the Contractor to provide quarterly reports as required after written notice and a 15-day cure period may be deemed by the County as a material breach of the Contract. A late penalty of 15 percent on the value of the rebate may be assessed to the Contractor for each month the payments are not received , after the initial 30-day grace period.

Subordinate contracts must be executed prior to the expiration or earlier termination of this Contract and may survive the expiration of this Contract. This Cooperative Contract provision shall survive expiration or termination of this Contract.

13. Debarment:

Contractor shall certify that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with the bid/proposal. Debarment pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department of agency may result in the bid/proposal being deemed non-responsible.

14. Data – Title To:

All materials, documents, data or information obtained from County data files or any County medium furnished to Contractor in the performance of this Contract will at all times remain the property of County. Such data or information may not be used or copied for direct or indirect use by Contractor after completion or termination of this Contract without the express written consent of County. All materials, documents, data or information, including copies, must be returned to County at the end of this Contract.

15. Disputes – Contract:

The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the County's Project Manager, as specified in Article titled "Notices" below, such matter shall be brought to the attention of the County DPA by way of the following process:

- A. The Contractor shall submit to the agency/department assigned Deputy Procurement Agent a written demand for a final decision regarding the disposition of any dispute between the parties

Attachment A

arising under, related to, or involving this Contract, unless County, on its own initiative, has already rendered such a final decision.

- B. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to Contract, Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects Contract adjustment for which Contractor believes County is liable.

Pending the final resolution of any dispute arising under, related to, or involving this Contract, Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of commodities and/or provision of services. Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of County shall be expressly identified as such, shall be in writing, and shall be signed by County Deputy Procurement Agent or his designee. If County fails to render a decision within 90 days after receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. Nothing in this section shall be construed as affecting County's right to terminate Contract for cause or termination for convenience as stated in Article "Termination" herein.

16. EDD Independent Contractor Reporting Requirements:

Effective January 1, 2001, County of Orange is required to file in accordance with subdivision (a) of Section 6041A of the Internal Revenue Code for services received from a "service provider" to whom County pays \$600 or more or with whom County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent Contractors. An independent Contractor is defined as "an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department website located at http://www.edd.ca.gov/Employer_Services.htm

The failure of Contractor to timely submit the requested data shall constitute a material breach and grounds for termination of this Contract.

Attachment A

17. Error and Omissions:

All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as Project Manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary, and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.

18. Lobbying:

On the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.

19. News/Information Release:

Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from County through County's Project Manager.

20. Precedence:

The Contract documents consist of this Contract and its attachments and exhibits. In the event of a conflict between or among Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the Articles and Additional Terms and Conditions of this Contract, and then the exhibits and attachments.

Notwithstanding anything to the contrary in the Agreement, no provision in this Agreement shall be construed to require performance or require Contractor to assume any obligation inconsistent with any applicable professional rules or standards, and no provision shall be given effect if such effect would require performance or require Contractor to assume any obligation inconsistent with any applicable professional rules or standards."

21. Substitutions:

The Contractor is required to meet all specifications and requirements contained herein. No substitutions will be accepted without prior County written approval.

Attachment A**22. Subcontracting:**

No performance of this Contract or any portion thereof may be subcontracted or otherwise delegated by Contractor, in whole or in part, without first obtaining the prior express written consent of County. Any attempt by Contractor to subcontract or delegate any performance of this Contract without the prior express written consent of County shall be invalid and shall constitute a material breach of this Contract, and any attempted assignment or delegation in derogation of this paragraph shall be void.

In the event that Contractor is authorized by County to subcontract, this Contract shall take precedence over the terms of the agreement between Contractor and subcontractor, and any agreement between Contractor and a subcontractor shall incorporate by reference the terms of this Contract. Contractor shall remain responsible for the performance of this Contract and indemnification of County notwithstanding the County's consent to Contractor's request for approval of a subcontractor. Under no circumstances shall County be required to directly monitor the performance of any subcontractor. All work performed by a subcontractor must be monitored by Contractor and must meet the approval of the County of Orange pursuant to the terms of this Contract.

23. Reports/Meetings:

The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this contract. The County's project manager and the Contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this contract. If requested, the Contractor's project manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this contract.

24. Project Manager, County:

The County shall appoint a Project Manager to act as liaison between the County and the Contractor during the term of this Contract. The County's Project Manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager and key personnel. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice from the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager and key personnel. Said approval shall not be unreasonably withheld. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

25. Notices:

Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned DPA, except through the course of the Parties' Project Managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt

Attachment A

or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor:	Crowe LLP
Attn:	Katherine V. Lai, CPA, CGMA Partner
Address:	650 Town Center Dr, Costa Mesa, CA 92626
Phone:	(714) 668-5376
Email:	kathy.lai@crowe.com

County Project Manager: Auditor-Controller	
Attn:	Susan Munoz, Financial Reporting & Mandated Costs Unit Manager
Address:	1770 N. Broadway Santa Ana CA 92706
Phone:	(714) 834-5888
Email:	susan.munoz@ocauditor.gov

cc: Auditor-Controller/Procurement	
Attn:	Lorena Silva, County DPA
Address:	1770 N. Broadway Santa Ana , CA 92706
Phone:	(714) 834-3504
Email:	lorena.silva@ocauditor.gov

Attachment A

26. Fiscal Appropriations Subject to:

This Contract is subject to and contingent upon applicable budgetary appropriations being approved by the County of Orange Board of Supervisors for each fiscal year during the term of this Contract. If such appropriations are not approved, the Contract will be terminated without penalty to the County.

27. Audits/Inspections:

Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor 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 under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this agreement shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the County's project manager.

28. Validity:

The invalidity in whole or in part of any provision of this Contract shall not void or affect the validity of any other provision of the Contract.

29. Project Schedule:

The services performed under this Contract shall be done in accordance with the approved project schedule incorporated herein which may be revised at the option of the County with the Contractor's concurrence. The Contractor shall be responsible for schedule adherence as outlined in Attachment D – Project Plan/Timeline.

30. Gratuities:

The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any

Attachment A

determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract

31. Ownership of Documents: Intentionally Omitted

32. Disputed Amounts:

The County may withhold payment of fees or any other charges otherwise due to Contractor under this Contract to the extent that the County disputes such charges in good faith. In such case, the County shall provide to Contractor a reasonably detailed written explanation of the basis for the dispute and shall continue to make payments of undisputed amounts as otherwise provided in this Contract. If any disputed amounts are later determined to have been improperly withheld (i.e., properly charged by Contractor), then the County shall be obligated to pay the withheld amount in accordance with this Contract, until paid in full. If any paid amounts are later disputed by the County and determined to have been improperly paid (i.e., improperly charged by Contractor), then Contractor shall promptly pay the County, in cash, the improperly paid amount. The failure of the County to withhold payment shall not waive any other rights the County may have with respect to disputed amounts or overpayments. Except as otherwise provided herein, any dispute relating to amounts owed by a Party hereunder shall be considered a disagreement.

Attachment A

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date first above written.


If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.

The first corporate officer signature must be one of the following: 1) Chairman of the Board, 2) President, 3) Vice President; and

The second corporate officer signature must be one of the following: 1) Secretary, 2) Assistant Secretary, 3) Chief Financial Officer, 4) Assistant Treasurer.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

CONTRACTOR: CROWE LLP

DocuSigned by:			
	Katherine V. Lai	Partner	3/31/2026
53F728AEB35042E...	Name	Title	Date
Signature	Name	Title	Date

COUNTY OF ORANGE,
a political subdivision of the State of California

COUNTY AUTHORIZED SIGNATURE:

Deputy Procurement Agent			
Signature	Name	Title	Date

Approved as to form:

Signed by:			
	Mark Servino	Deputy	3/31/2026
3380E3840AA441F...	Name	Title	Date
Signature	Name	Title	Date

ATTACHMENT A - SCOPE OF WORK**1. GENERAL INFORMATION**

The County of Orange is located in Southern California and is bordered on the north by Los Angeles and San Bernardino Counties, on the east by Riverside County, on the Southeast by San Diego County and on the west and southwest by the Pacific Ocean. The County occupies a land area of 798 square miles with a coastline of 42 miles serving a population of approximately 3 million. It is the second most populous County in the State of California and fifth most populous in the nation.

The County incorporated in 1889 and became a charter County in March 2002. It is governed by an elected five-member Board of Supervisors with each Supervisor serving a four-year term. The Supervisors represent five districts that are equal in population. County administration consists of fifteen County officers. Seven County officers are elected by a Countywide vote to four-year terms: the Assessor, Auditor-Controller, Clerk-Recorder, District Attorney/Public Administrator, Sheriff-Coroner, and the Treasurer-Tax Collector. The Board of Supervisors appoints eight officers including the County Executive Officer (CEO) who directly or indirectly oversees the 22 County Departments, County Counsel, Public Defender, Internal Auditor, Health Officer, Clerk of the Board, and Agriculture Commissioner. The Chief Probation Officer is appointed by the Board of Supervisors with the concurrence of the Presiding Judge of the Orange County Superior Court.

The County's core businesses are public safety, public works, construction management, public health, environmental protection, regional planning, public assistance, social services, and aviation with over 17,000 employees located throughout the County.

PROJECT DEFINITION

The Contractor must be a licensed certified public accounting firm qualified to perform Independent Auditing and Related Services for the County of Orange for the fiscal years ending June 30, 2026, June 30, 2027, and June 30, 2028. The overall project consists of multiple sub-projects, which are detailed in Section II, Items A through U. The County is in the process of implementing a new Enterprise Resource Planning (ERP) system, scheduled to go-live on July 1, 2027. This may impact the timeline for the fiscal years 2026-2027 and fiscal years 2027-2028 and may also alter the County staff's business processes for completing the Annual Comprehensive Financial Report (ACFR).

DUTIES AND RESPONSIBILITIES

The Contractor is responsible for the following sub-projects:

A. Annual Comprehensive Financial Report (ACFR)

1. The Contractor shall:

*County of Orange
Auditor-Controller*

Crowe LLP

*CONTRACT MA-003-26010507 FOR
INDEPENDENT AUDITING AND RELATED SERVICES
- FISCAL YEARS ENDING JUNE 30, 2026, 2027 and
2028*

Page 23 of 59

Attachment A

a. Conduct an examination of the County's financial statements, in accordance with generally accepted auditing standards, for the **fiscal years ending June 30, 2026, 2027, and 2028.**

b. Prepare and submit to the County, for publication within the County's ACFR, a report on the examination of its financial statements, including an accountants' report expressed on the fairness of the presentation of its basic financial statements, in accordance with Generally Accepted Accounting Principles (GAAP), and an "in relation to" accountants' report on its supplemental financial information.

This report shall be addressed to:

County of Orange

Board of Supervisors

County Administration North

400 W. Civic Center Dr.

Santa Ana, CA 92701

c. Confer with, and provide assistance and direction to, appropriate County personnel for the purpose of filing for and obtaining a "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association (GFOA).

2. The examination of the financial statements shall be of the financial type described in the most current edition of the AICPA Audit and Accounting Guide, "Audits of State and Local Governments;" the most current edition of the U. S. Government Accountability Office (GAO) "Government Auditing Standards" (The Yellow Book); and the most current GASB Statements, GASB Technical Bulletins, GASB Implementation Guides and AICPA literature cleared by the GASB, as adopted by GASB Statement No. 76 and shall be conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS) for the FY 2025-26 and subsequent years.

3. As of the fiscal year ending June 30, 2025, the County general ledger included 542 funds. For reporting purposes, these funds may be consolidated into major funds or fund categories, as outlined in the section below:

a. Major Governmental Funds

(1) General Fund

- General Fund - 2 funds

(2) Special Revenue Funds

Attachment A

- Mental Health Services Act - 1 fund
 - Flood Control District - 3 funds
 - Other Public Protection – 32 funds
- b. Other Governmental Funds**
- (1) Special Revenue - 53 funds
 - (2) Debt Service - 4 funds
 - (3) Capital Project - 5 funds
 - (4) Permanent - 1 fund
- c. Enterprise Funds**
- (1) Airport (Major) - 4 funds
 - (2) Waste Management (Major) - 11 funds
 - (3) Compressed Natural Gas (Non-major)- 1 fund
- d. Internal Service Funds - 11 funds**
- e. Fiduciary Funds**
- (1) Private Purpose Trust - 4 funds
 - (2) Investment Trust - 216 funds
 - (3) Pension Trust & Other Employee Benefits - 6 funds
 - (4) Custodial - 183 funds
- f. Discrete Component Unit Fund - 2 funds (CalOptima is not maintained in the general ledger but discretely presented in the County’s ACFR.)**
- g. Fiduciary Component Unit Fund - 5 funds (OCERS is not maintained in the general ledger but presented in the County’s ACFR.)**

The County retains the right to make additions and/or deletions to the funds listed above. Any such determination regarding inclusion or exclusion of a fund, or of a fund category, which may be necessary during the conduct of the examination, shall be made by the County Auditor-Controller. The County’s intention regarding the funds and fund categories referenced above is to comply with existing Generally Accepted Accounting Principles (GAAP), to include all applicable GASB pronouncements.

Certain funds and account groups may be audited by other independent accounting firms in addition to the Contractor.

Attachment A

4. The Manager of the Financial Reporting and Mandated Cost Unit, the Auditor-Controller Department, will serve as the Project Manager and will coordinate all activities necessary for the completion of the ACFR.

The Manager of the Financial Reporting Unit and Mandated Cost Unit, the Auditor-Controller Department, shall be apprised of and shall approve potential audit adjusting entries, and maintain and make available County general accounting records necessary for conducting the ACFR sub-project.

5. To enable the County to file its ACFR with the GFOA, the Contractor shall note the following plan and strictly adhere to these performance deadlines:

a. From Contract Award Date to July 31, 2026 - The Contractor shall complete as much interim audit fieldwork as possible during this period, to minimize the need for County support and assistance and reduce the likelihood of unforeseen difficulties arising during the financial statement compilation and adjustment period, which is scheduled to begin on or about August 1.

b. August 3, 2026 - The County's "budgetary" accounts (estimated revenues, appropriations and encumbrances) are scheduled to be closed for FY 2025-2026 on or about this date. Reports expressing chart of accounts coding for all funds, along with Working Trial Balances, expressed in in terms of financial reporting classifications for each fund, will be available on or about this date.

c. August 18, 2026 - The County's general accounting records are scheduled to be closed for FY 2025-2026 on or about this date. Preliminary GAAP adjustments will be reported in Working Trial Balances for all fund types, expressed in in terms of financial reporting classifications for each fund will be available through the County's Data Warehouse on or about this date.

d. August 24, 2026 - The County will prepare draft Budgetary Statements/Schedules to include in the 1st ACFR draft.

e. August 18 – October 1, 2026 – On or about these dates, the Contractor shall conduct fund level auditing procedures that will enable them to propose all FY 2025-2026 audit reclassifying and adjusting entries to the County's fund level basic financial statements.

Fluctuation analysis conducted by the Contractor shall be completed during this period. All reclassifying and adjusting entries which the Contractor proposes for the ACFR fund level financial statements as a result of auditing drafts of the ACFR and auditing the separate financial statements for the component units (referred to as Subprojects G, H, and I within this Scope of Work), shall be submitted to the County during this time interval as well.

Attachment A

- f. November 13, 2026 - The County plans to complete a comprehensive draft of the ACFR and submit it to the Contractor for review on or about this date.
- g. December 9, 2026 – External Audit Firm provides management representation letter to County for signatures on or about this date.
- h. November 13 - December 11, 2026 - The Contractor shall analyze the entire ACFR, and recommend any revisions deemed necessary to the County, on or about these dates. The Contractor shall perform both partner-level and manager-level reviews of the ACFR for compliance with the most recent GFOA Special Review Committee Checklist as part of this analysis.
- i. December 18, 2026 - The Contractor shall sign and submit the report on the examination of the County’s FY 2025-2026 financial statements to the Auditor-Controller on or about this date, as this is when the County plans to deliver the original copy of its ACFR to the printer.

6. The County intends to file its FY 2025-2026 ACFR with the GFOA with the intent of receiving a "Certificate of Achievement for Excellence in Financial Reporting."

The Contractor shall therefore provide guidance to the County Auditor-Controller regarding the County’s participation in the Certificate Program, including guidance concerning financial reporting formats consistent with GFOA's “Governmental Accounting, Auditing and Financial Reporting” text, as amended, and concerning the implementation of statements, interpretations and technical bulletins issued by the Governmental Accounting Standards Board.

The Contractor shall keep the Auditor-Controller apprised of changes in the GFOA Certificate Program's Special Review Committee Checklist. It is desirable that at least one audit manager or partner with responsibility for examination of the County’s financial statements, who is also a member of the GFOA Certificate Program's Special Review Committee, be accessible to the Auditor-Controller for this purpose.

7. The County intends to file its Fiscal Years 2026-2027 and 2027-2028 ACFR with the GFOA as well; therefore, the Contractor shall strictly adhere to the performance deadlines established by the County Project Manager. The performance deadlines for Fiscal Years 2026-2027 and 2027-2028 will approximate the same annual schedule as set forth herein for FY 2025-2026.

B. Audit of Investment Trust Funds

1. For each fiscal year being audited, the Contractor shall perform an audit of the County’s Investment Trust Funds financial statements prepared in accordance with current GAAP, including GASB Statements No. 3, 31, 40, 72, 79. The Investment Trust Funds financial statements will be reported in the ACFR.

Attachment A

2. The Contractor shall submit separate invoices for fees associated with auditing the Investment Trust Financial Statements.

3. The Contractor shall strictly adhere to the performance deadlines as detailed in Section A.5 of this Scope of Work for this sub-project.

C. Audit of Pension and Other Postemployment Benefit Trust Fund

1. For each fiscal year being audited, the Contractor shall perform an audit of the County's Pension and Other Postemployment Benefits (OPEB) Trust Fund financial statements prepared in accordance with current GAAP, including GASB Statements No. 43, 68, 74, and 75. The Pension and OPEB Trust Fund financial statements will be reported in the ACFR.

2. The Contractor shall submit separate invoices for fees associated with auditing the Pension and OPEB Trust Financial Statements.

3. The Contractor shall strictly adhere to the performance deadlines as detailed in Section A.5 of this Scope of Work for this sub-project.

D. Single Audit Reports

1. The Contractor shall supply a multiple-part auditor's report on the County's compliance with requirements of all Federally-funded programs for which it received funding, in accordance with the Single Audit Act Amendments of 1996, the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the most recent edition of the GAO's "Government Auditing Standards" and the most recent edition of the AICPA Audit and Accounting Guide, "Audits of State and Local Governments" for the FY 2025-26 and subsequent years. Any planning efforts, including risk assessment to determine which of the County's Federal programs are "major" programs, and specific format and report requirements, shall be coordinated with the OMB and the Federal cognizant agency as necessary. The Department of Housing and Urban Development (HUD) has been designated as the cognizant agency for audit responsibilities for the County of Orange. This auditor's report shall refer to a separate report on the County's financial statements which shall be published in the ACFR.

The auditor's report shall include:

- a. An opinion as to whether the County's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion as to whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.

Attachment A

b. A report on internal control related to the financial statements and major programs. This report shall describe the scope of testing of internal control and the results of the tests and, where applicable, refer to the separate schedule of findings and questioned costs.

c. A report on compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements. This report shall also include an opinion as to whether the auditee complied with laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on each major program, and, where applicable, refer to the separate schedule of findings and questioned costs.

d. A schedule of findings and questioned costs, if applicable.

The Contractor shall perform any service warranty work required by the County's cognizant agency to meet minimum Single Audit standards. This warranty work must be completed within twelve (12) months from when a defect is discovered or reasonably should have been discovered even, must be completed within twelve (12) months of the County's receipt of the final audit report, even if such work is found to be needed after the Contractor has received complete payment for services in the performance of this Contract.

Service warranty work in this case shall mean any work that is required by any laws, regulations and statutes and discovered or found deficient by the County or the State as having been submitted by the Contractor in a form or content not in compliance with said laws, regulations, and statutes.

However, if the County had information needed to enable the Contractor to audit the County's federal programs to meet minimum Single Audit standards at the time the audit was performed, and had failed to provide such information to the Contractor, the Contractor is allowed to seek additional compensation from the County to correct this type of deficiency.

2. The County shall compile a "Schedule of Expenditures of Federal Awards" for the Contractor's use in this sub-project and for inclusion with the auditor's report. The external auditor will populate the Data Collection Form in the Federal Clearing House and provide it to the Manager of the Financial Reporting and Mandated Cost Unit, Auditor-Controller Department for review.

3. The Manager of the Financial Reporting and Mandated Cost Unit, Auditor-Controller Department, will coordinate all County activities necessary for completion of the Single Audit Reports. Prior to the issuance of the final reports, the Contractor shall meet with the Financial Reporting and Mandated Cost Manager to discuss the results and recommendations.

4. The reports shall be addressed to Board of Supervisors and County of Orange

*County of Orange
Auditor-Controller*

*CONTRACT MA-003-26010507 FOR
INDEPENDENT AUDITING AND RELATED SERVICES
- FISCAL YEARS ENDING JUNE 30, 2026, 2027 and*

Page 29 of 59

Crowe LLP

2028

Attachment A

5. Thirty hard copies and a PDF file of the reports for FY 2025-2026 shall be delivered to the Auditor-Controller on or before March 28, 2027. Distribution shall be made by the Auditor-Controller.

6. For Fiscal Years 2026-2027 and 2027-2028, the Single Audit Reports shall be completed and delivered to the Auditor-Controller on or before March 28 of the following fiscal year.

E. Agreed-Upon Procedures for Attestation of Section 8 Cluster to HUD

1. For each fiscal year being audited, the Contractor shall perform certain agreed-upon procedures, which the Orange County Housing Authority (OCHA) will specify, to perform an analysis of OCHA data, as of June 30 of the fiscal year. This procedure is solely to assist OCHA management in finding errors and irregularities in its data files. The sufficiency of the procedures is solely the responsibility of OCHA.

2. The Contractor shall furnish a report to the effect that they have performed the agreed-upon procedures in accordance with the standards established by the American Institute of Certified Public Accountants. The report shall list the procedures performed and any findings.

3. The OCHA data files for FY 2025-2026 will be available to the Contractor on or about January 1, 2027.

4. Five (5) hard copies and a PDF file of the agreed-upon procedure report for FY 2025-2026 shall be delivered to the Auditor-Controller no later than March 31, 2027.

5. The report shall be addressed to Orange County Housing Authority.

6. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the County Project Manager.

F. Management Letter

1. For each fiscal year being audited, the Contractor shall also, as promptly as possible, but in any event before January 31 of the following fiscal year, prepare and submit a separate management letter, in accordance with generally accepted governmental auditing standards (GAGAS), regarding any significant findings which come to its attention during the conduct of the examination, and its recommendations as to these findings, concerning but not limited to the following:

- a. Improvements resulting from the survey of systems of internal control.
- b. Improvements in accounting systems.
- c. Noncompliance with laws, rules and regulations, if any.
- d. Other material matters.

Attachment A

2. Prior to the issuance of the final management letter, the Contractor shall deliver a draft copy to the Manager of Financial Reporting and Mandated Cost Unit, Auditor-Controller Department, for review.
3. The Contractor shall submit the management letter by delivering the original and twenty-five hard copies and a PDF file thereof to the Auditor-Controller.
4. The letter shall be addressed to Board of Supervisors, County of Orange.
5. The Contractor shall also promptly advise and make known to the Auditor-Controller its findings and recommendations for improvements in internal control, and in accounting practices, procedures, and compliance, so that County personnel may undertake appropriate actions at the earliest possible date.

G. Audit of John Wayne Airport, Orange County

1. For each fiscal year being audited, the Contractor shall supply an audit report on the examination of John Wayne Airport's accounting records, which meets requirements for an "...audit of the books and accounts pertaining to the Airport..." set forth in Section 706 of the Indenture of Trust executed in connection with Airport Revenue Bonds. The audit shall be of a financial type described in the most current edition of the AICPA Audit and Accounting Guide, "Audits of State and Local Governments"; the most current edition of the U. S. Government Accountability Office (GAO) "Government Auditing Standards" (Yellow Book); conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS), as outlined in the most recent edition of the GAO's "Government Auditing Standards" for the FY 2025-26 and subsequent years.

The Contractor shall determine whether John Wayne Airport's financial statements present fairly its financial position and results of its financial operations in accordance with GAAP.

2. It is anticipated by the County that John Wayne Airport's financial statements for FY 2025-2026 will not be available to the Contractor before October 23, 2026.

The Manager of the Airport Accounting Section, Auditor-Controller Department, will maintain and make available County accounting records necessary for the examination of John Wayne Airport's accounting records. Before issuing the final report, the Contractor shall meet with the Airport Accounting Manager to discuss the report format, audit findings and recommendations.

3. The audit report shall be addressed to Board of Supervisors, County of Orange.

4. Ten (10) hard copies and a PDF file of the audit reports for FY 2025-2026 shall be delivered to the Airport Accounting Manager no later than December 18, 2026. Distribution shall be made by the Airport Accounting Manager.

Attachment A

5. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the County Project Manager. The audit report for these fiscal years shall be completed by mid-December 2027 and 2028.

H. Audit of John Wayne Airport Passenger Facility Charge (PFC) Revenue

1. The Contractor shall perform an audit of John Wayne Airport's (JWA) schedule of Passenger Facility Charge (PFC) revenue in accordance with 14 Code of Federal Regulations (CFR), Part 158, "Passenger Facility Charges" requirements. The Contractor will express an opinion of the fairness and reasonableness of JWA's procedures for receiving, holding, and using PFC revenue, including JWA's quarterly reporting requirements, as specified in CFR Section 158.6 (c).

The auditor shall also determine whether the financial statements of JWA pertaining to the PFC accounts are presented fairly in all material respects in conformity with generally accepted government auditing standards. The auditors shall determine whether the schedule of expenditures of PFC funds (including quarterly reports under CFR Section 158.63(a)) is presented fairly in all material respects in relation to JWA's financial statements taken as a whole. The financial statements and schedule of expenditures of PFC shall be for the same fiscal year.

2. The audit shall be conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS), as outlined in the most recent edition of the GAO's "Government Auditing Standards" and the most recent edition of the "Government Auditing Standards" and current guidance with the Passenger Facility Charge Audit Guide for Public Agencies, prepared by the Federal Aviation Administration Passenger Facility Charge Branch APP-530.

3. It is anticipated by the County that JWA's data files for FY 2025-2026 will be available to the Contractor to begin the audit by October 23, 2026.

4. The report shall be addressed to John Wayne Airport.

5. Ten (10) hard copies and a PDF file of the Independent Auditor's Report for JWA Passenger Facility Charge (PFC) Revenue audit for FY 2025-2026 shall be delivered to the Airport Accounting Manager no later than December 18, 2026. Distribution shall be made by the Airport Accounting Manager.

6. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the Manager of the Airport Accounting Section, Auditor-Controller Department. The audit report for these fiscal years shall be completed by mid-December 2027 and 2028.

Attachment A**I. Audit of the OC Waste & Recycling Department (OCWR)**

1. For each fiscal year being audited, the Contractor shall supply a special report on the examination of the County's OC Waste & Recycling Department (OCWR), which meets requirements for an "audit report" specified in Section 4.6, "Audited Financial Statements," of the Waste Disposal Agreement between the County of Orange and thirty-two (32) cities, four (4) Sanitary Districts, one (1) Joint Powers Authority and five (5) Facility Operators. The audit shall be of a financial type described in the most current edition of the AICPA Audit and Accounting Guide, "Audits of State and Local Governments;" the most current edition of the U. S. Government Accountability Office (GAO) "Government Auditing Standards" (Yellow Book); conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS), as outlined in the most recent edition of the GAO's "Government Auditing Standards" for the FY 2025-26 and subsequent years.

2. The Contractor shall determine whether OCWR's financial statements present fairly its financial position and results of its financial operations in accordance with generally accepted accounting principles, and shall include statements in reasonable detail of the financial condition of the County's OC Waste & Recycling Enterprise fund as of the end of the fiscal year being audited and revenue and expenses for the contract year being audited.

3. It is anticipated by the County that OCWR's financial statements for FY 2025-2026 will not be available to the Contractor before November 12, 2026.

The Manager of the OCWR Accounting Section, Auditor-Controller Department, will maintain and make available County accounting records necessary for examination of OCWR's accounting records. Before issuing the final report, the Contractor shall meet with the OCWR Accounting Manager to discuss the report format, audit findings and recommendations.

4. The audit report shall be addressed to Board of Supervisors, County of Orange.

5. Twenty (20) hard copies and a PDF file of the audit reports for FY 2025-2026 shall be delivered to the OCWR Accounting Manager no later than December 18, 2026. Distribution shall be made by the OCWR Accounting Manager.

6. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the County Project Manager. The audit report for these fiscal years shall be completed by mid-December 2027 and mid-December 2028.

J. Agreed-Upon Procedures of Tobacco Settlement Revenue (TSR) Fund

1. For each fiscal year audited, the Contractor shall perform certain Agreed-Upon Procedures to a sample of one hundred (100) transactions involving the TSR fund. This

Attachment A

procedure is solely to assist management in determining if the County is in compliance with Article 14 of Division 4 to the Codified Ordinances of the County.

The Contractor shall furnish a report to the effect that they have performed the agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants.

2. It is anticipated by the County that the TSR Fund financial records for FY 2025-2026 will be available to the Contractor to begin the agreed-upon procedures by August 3, 2026.

The County Executive Office, the Health Care Agency and the Orange County Sheriff-Coroner Department will maintain and make available County financial records necessary for performing the agreed-upon procedures. Before issuing the final letter, the Contractor shall meet with representatives of the County departments stated above to discuss the results and recommendations.

3. The report shall be addressed to County Executive Officer, County of Orange.

4. Ten (10) hard copies and a PDF file of the agreed-upon procedures report for FY 2025-2026 shall be delivered to the Auditor-Controller no later than November 25, 2026. Distribution shall be made by the Auditor-Controller.

5. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the County Executive Office, the Health Care Agency and the Orange County Sheriff-Coroner Department. The agreed-upon procedures report for these fiscal years shall be completed by the end of November in 2027 and the end of November in 2028.

K. Agreed-Upon Procedures for Appropriations Limit Calculation of Orange County Flood Control District

1. For each fiscal year audited, the Contractor shall perform certain Agreed-Upon Procedures to the Appropriations Limit Calculation of the Orange County Flood Control District. This procedure is solely to assist the District in meeting requirements of Section 1.5 of Article XIII-B of the California Constitution.

2. The Contractor shall furnish a report to the effect that they have performed the agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants.

3. The audit report shall be addressed to Board of Supervisors, County of Orange.

4. Twenty (20) hard copies and a PDF file of the audit reports for FY 2025-2026 shall be delivered to the Auditor-Controller no later than September 14, 2026. Distribution shall be made by the Auditor-Controller.

Attachment A

5. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the Manager of the General Accounting Section, Auditor-Controller Department. The audit report for these fiscal years shall be completed by mid-September 2027 and 2028.

L. Agreed-Upon Procedures for Appropriations Limit Calculation for Orange County

1. For each fiscal year audited, the Contractor shall perform certain Agreed-Upon Procedures to the Appropriations Limit Calculation of the County. This procedure is solely to assist the County in meeting requirements of Section 1.5 of Article XIII-B of the California Constitution.
2. The Contractor shall furnish a report to the effect that they have performed the agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants.
3. The audit report shall be addressed to Board of Supervisors, County of Orange.
4. Twenty (20) hard copies and a PDF file of the audit reports for FY 2025-2026 shall be delivered to the Auditor-Controller no later than September 14, 2026. Distribution shall be made by the Auditor-Controller.
5. For Fiscal Years 2026-2027 and 2027-2028, the Contractor shall strictly adhere to the performance deadlines for this sub-project to be established by the Manager of the General Accounting Section, Auditor-Controller Department. The audit report for these fiscal years shall be completed by mid-September 2027 and 2028.

M. Subsequent Events Review of CalOptima and County's Basic Financial Statements

1. Capitation receivable – Perform cash look-back analysis to determine reasonableness of the valuation of capitation receivables at June 2026, 2027, and 2028.
2. Medical claims liability – Perform an analysis based upon claim payments made subsequent to year end and other relevant information to determine the reasonableness of the estimate of the cost of services that has been incurred but not yet reported for each of the years ending June 30, 2026, 2027, and 2028.
3. Capitation and withholds liability – Perform an analysis based upon payments made subsequent to year end and other relevant information to determine the reasonableness of the capitation and withholds liability for each of the years ending June 30, 2026, 2027, and 2028.
4. Review of the CalOptima Board of Director's meeting minutes or summaries of actions of recent meetings for which minutes have not yet been prepared, for the period of time between the issuance of the CalOptima basic financial statements and the issuance of the County's basic financial statements for the years ending June 30, 2026, 2027, and 2028.

Attachment A

5. Make inquiries about the following and verify responses:

- (a) Related party transactions
- (b) Commitments and contingencies
- (c) Illegal acts
- (d) Litigation and claims
- (e) Subsequent events
- (f) Premium deficiency reserves
- (g) Audits in progress and/or completed by the Center for Medicare and Medicaid Services (CMS) and California Department of Health Care Services (DHCS)
- (h) Fraud

6. Obtain management representation letter.

N. Subsequent Events Review of OCERS and County's Basic Financial Statements (Contingent on determination as a fiduciary component unit)

1. Review of the OCERS Board of Director's meeting minutes or summaries of actions of recent meetings for which minutes have not yet been prepared, for the period of time between the issuance of the OCERS basic financial statements and the issuance of the County's basic financial statements for the years ending December 31, 2025, 2026, and 2027.

2. Make inquiries about the following and verify responses:

- (a) Related party transactions
- (b) Commitments and contingencies
- (c) Illegal acts
- (d) Litigation and claims
- (e) Subsequent events
- (f) Fraud

3. Obtain management representation letter.

O. Subsequent Events Review of Orange County Housing Finance Trust (OCHFT) and County's Basic Financial Statements (Contingent on determination as a fiduciary component unit)

1. Review of the OCHFT Board of Director's meeting minutes or summaries of actions of recent meetings for which minutes have not yet been prepared, for the period of time

Attachment A

between the issuance of the OCHFT basic financial statements and the issuance of the County’s basic financial statements for the years ending June 30, 2025, 2026, and 2027.

2. Make inquiries about the following and verify responses:

- (a) Related party transactions
- (b) Commitments and contingencies
- (c) Illegal acts
- (d) Litigation and claims
- (e) Subsequent events
- (f) Fraud

3. Obtain management representation letter.

P. Annual Financial Audit of the Treasurer’s Schedule of Assets

1. The Schedule of Assets Held by the County Treasury (Schedule of Assets), with appropriate footnotes, will be prepared by the Treasurer-Tax Collector and provided to the Contractor.
2. The Contractor shall perform a financial audit of the Schedule of Assets for the fiscal years ending June 30 of 2026, 2027, and 2028, on behalf of the County Auditor-Controller as required by California Government Code Section 26920 (b).
3. The Contractor shall perform a financial audit of the Treasurer’s Schedule of Assets in accordance with Government Auditing Standards (Yellow Book) issued by the Comptroller General of the United States (GAO).
4. This contract will result in a financial audit opinion as to whether the Schedule of Assets is presented fairly and in accordance with full accrual basis of accounting, which is a basis of accounting in generally accepted accounting principles in the United States of America.
5. The Contractor will keep the Auditor-Controller’s Office and Treasurer-Tax Collector apprised of potential issues noted during the course of the audit.
6. The report will be based on Generally Accepted Government Auditing Standards (GAGAS) for financial audits.
7. The audit report will include the audited Schedule of Assets with appropriate footnotes and will be addressed to the County Board of Supervisors.
8. The report will be provided to the Auditor-Controller’s Office, which will be responsible for transmitting the report to the Board of Supervisors. The report should note that the following parties will receive copies of the report: Investment Oversight Committee, Audit Oversight Committee, Treasurer-Tax Collector, Auditor-Controller, County Executive

Attachment A

Officer, Chief Financial Officer, Assistant Treasurer-Tax Collector-Treasury, Director of Central Operations Auditor-Controller, Clerk of the Board, Grand Jury Foreman, Chief Deputy Director of Auditor-Controller.

9. For Fiscal Year 2025-26, the due date for the final audit report will be January 31, 2027. For fiscal years 2026-2027 and 2027-2028, the final audit reports shall be completed and delivered to the Auditor-Controller on or before January 31 of the following fiscal year.

10. If appropriate, the Contractor will prepare a management letter to report on audit findings noted during the audit.

Q. Training

1. Each fiscal year, the Contractor shall provide eight (8) hours of governmental accounting training classes to selected County staff and Committee members.

2. Each fiscal year, the Contractor shall provide four (4) hours of Uniform Guidance training to County staff and/or County subrecipients. A maximum of three hundred (300) attendees will attend

3. Each fiscal year, the Contractor shall provide four (4) hours of Subrecipient Monitoring training to County staff billed at the contractor's rates.

4. Each fiscal year, the Contractor shall provide one (1) hour of COSO Internal Control training to County staff and Committee members. A maximum of one hundred (100) attendees will attend.

5. All trainings shall meet Continuing Professional Education (CPE) requirements of the American Institute of Certified Public Accountant (AICPA).

6. The training course materials and the date/s of the training classes will be approved in advance by the County Project Manager.

7. The training class shall be held at a mutually agreeable location or via a virtual platform and approved by the County Project Manager.

8. Only costs associated with the eight-hour governmental accounting training, including training materials, cost of facility (if applicable), audio/visual equipment, and cost of refreshments shall be paid by the Contractor. Costs associated with the Uniform Guidance shall be based on the Contractor's rates specified in Attachment B, Cost/Compensation.

R. Consent Review (Optional Deliverable)

Upon written request from the County Project Manager, Contractor shall perform the services in this Section T for the fiscal years referenced in the request.

1. The County (including its component units) may offer short-term tax and revenue anticipation notes and/or commercial paper borrowings, and is exploring various capital

Attachment A

improvement financing plans, pension obligation bonds, and other long and short-term financing options which may include general obligation and revenue bonds, lease-purchase financings, taxable bond issues, or Certificates of Participation. As part of these processes, the County wishes to include its financial statements, and the Contractor's opinion thereon, within the official statements for such offerings. John Wayne Airport and the OC Waste & Recycling Department may wish to use their own financial statements for such borrowings.

2. The Contractor shall perform a consent review upon request of the Auditor-Controller as necessary to allow the use of the Contractor's opinion in the official statements for such borrowings. The consent review shall be conducted as promptly as possible within the time frame requested by the Auditor-Controller. Following the consent review, the Contractor will manually sign a document authorizing the County to use the Contractor's opinion in connection with any borrowing.

S. Communications

1. The Contractor shall, at no additional cost to the County, make a presentation to the County Board of Supervisors following the completion of the annual audit.

2. The Contractor shall, at no additional cost to the County, make one presentation quarterly to the County's Audit Oversight Committee, Investment Oversight Committee or to other County officials as determined by the Auditor-Controller Internal Audit Division or the County's Internal Audit Department.

T. Project Progress

1. The Contractor shall conduct regular progress report meetings with the Auditor-Controller or his designee on the conduct of the work required under this Contract as deemed appropriate. Either the Auditor-Controller or the Contractor may request a meeting at any time during the term of this Contract.

2. The Contractor shall prepare a written weekly status report detailing the status of each audit. The status report shall be emailed to the County Project Manager for distribution.

3. To the extent the County does not meet the foregoing target dates specified in this Scope of Work, and the Contractor is delayed thereby, a reasonable extension may be made to the pertinent sub-project audit schedule; such an extension shall not under any circumstances exceed the total period by which the County exceeds said target dates. The Contractor shall not be entitled to any other relief, or to any monetary damages whatsoever, as a result of such delay.

U. Guidance and Advice on New Authoritative Pronouncements

Providing guidance and advice in the analysis of new authoritative pronouncements shall be considered as part of the normal Scope of Work under this Contract and shall not be considered as extra services.

Attachment A

V. Unusual Discoveries/Extra Services

1. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if other circumstances are encountered that require extra services, the Contractor shall promptly advise the Auditor-Controller. No extra services shall be performed unless such are authorized in a separate contractual agreement or in an amendment to this Contract.
2. Contractor shall provide a written quote for any Extra Services requested by the County. Contractor's quote shall include the following information: Staff Classification and estimated number of hours required, and Contractor's proposed approach to the Extra Services requested and expected completion date. Costs associated with the extra services shall be based on the Contractor's rates specified in Attachment B, Cost/Compensation.
3. Any Extra Services shall be subject to the same terms and conditions of the Contract unless otherwise specified in writing and agreed upon by the Parties. Any Extra Services under this section will not be an amendment to the Contract unless they change the general terms and conditions or the terms of payment in the Contract. Except as may be agreed by the County, Contractor shall respond to a request for Extra Services within ten (10) business days after receipt, advising the County of any cost or schedule impact. The Parties will negotiate in good faith and in a timely manner all aspects of the proposed Extra Services. No request for Extra Services will have any force or effect unless signed by authorized representatives of the Parties.

ATTACHMENT B - PRICING AND COMPENSATION

1. Compensation

This is a firm fixed fee Contract between County and Contractor for INDEPENDENT AUDITING AND RELATED SERVICES - FISCAL YEARS ENDING JUNE 30, 2026, 2027 and 2028 as set forth in Attachment A, "Scope of Work".

Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles "Changes" and "Amendments" of County Contract Terms and Conditions, which may require approval by the County Board of Supervisors.**

2. Fixed Price

County shall have no obligation to pay any sum in excess of said fixed price for each fiscal year, unless authorized by Amendment in accordance with paragraph 1.3 of this Contract. Contractor shall fully perform and complete its duties and obligations under this Contract, regardless of the number of man hours required of the Contractor in effectuating such performance and completion. The Contractor shall not be entitled to reimbursement of expenses incurred in performance of this Contract. Contractor shall not rely on the total ceiling cost established upon execution of the Contract, but will be paid for services actually rendered, up to the maximum amount indicated.

The cost of additional work to be performed as required by the cognizant agency for the Single Audit shall be included in the sub-project as part of what is described in Attachment A - Scope of Work and shall be included in the fixed price.

3. Fees and Charges

County will pay the fees and charges in accordance with the provisions of this Contract. Payment shall be as follows:

The salary rates specified herein shall include all payroll taxes, payroll burden, home office burden, general and administrative overhead, fee or profit, and all other costs including expenses normally associated with the Contractor's service.

List below the labor classification and hourly rate of staff who will be performing all services under this Contract:

Attachment A

Line Item	Job Classification	Hourly Rate for 2025-2026	Hourly Rate for 2026-2027	Hourly Rate for 2027-2028
1	Audit Partner	\$475	\$489	\$504
2	Audit Senior Manager	\$315	\$324	\$334
3	Audit Manager	\$250	\$258	\$265
4	Senior	\$200	\$206	\$212
5	Staff	\$150	\$155	\$159
6	Paraprofessional	\$75	\$77	\$80

Line Item	Audit Description	Subproject Amount for 2025-2026	Subproject Amount for 2026-2027	Subproject Amount for 2027-2028
1	Subprojects A, S, T And U Combined: Annual Comprehensive Financial Report (ACFR), Communications, Project Progress Meetings, Guidance And Advice On New Authoritative Pronouncements	\$275,000.00	\$283,000.00	\$292,000.00
2	Subproject B: Audits Of Investment Trust Funds	\$15,500.00	\$16,000.00	\$16,000.00
3	Subproject C: Audit Of Pension And Other Postemployment Trust Funds	\$20,000.00	\$20,000.00	\$21,000.00
4	Subproject D: Single Audit Reports	\$270,000.00	\$280,000.00	\$290,000.00
5	Subproject E: Agreed-Upon Procedures For Attestation Of Section 8 Cluster To Hud	\$9,500.00	\$9,700.00	\$10,000.00

Attachment A

6	Subproject F: Management Letter	\$5,800.00	\$6,000.00	\$6,000.00
7	Subproject G: Audit Of John Wayne Airport, Orange County	\$35,000.00	\$36,000.00	\$37,000.00
8	Subproject H: Audit Of John Wayne Airport Passenger Facility Charge (PFC) Revenue	\$9,500.00	\$9,700.00	\$10,000.00
9	Subproject I: Audit Of The OC Waste & Recycling Department	\$36,000.00	\$37,000.00	\$38,000.00
10	Subproject J: Agreed-Upon Procedures Of Tobacco Settlement Revenue (TSR) Fund	\$12,200.00	\$12,500.00	\$13,000.00
11	Subprojects K And L Combined: Agreed-Upon Procedures Related To The Annual Appropriations Limit Revenue Fund	\$2,300.00	\$2,300.00	\$2,400.00
12	Subproject M: Subsequent Events Review Of CalOptima And County's Basic Financial Statements	\$3,400.00	\$3,500.00	\$3,600.00
13	Subproject N: Subsequent Events Review Of OCERS And County's Basic Financial Statements	\$3,400.00	\$3,500.00	\$3,600.00
14	Subproject O: Subsequent Events Review Of OCHFT And County's Basic Financial Statements	\$3,400.00	\$3,500.00	\$3,600.00
15	Subproject P: Annual Financial Audit Of The Treasurer's Schedule Of Assets	\$9,800.00	\$10,000.00	\$10,400.00
16	Subproject Q: Training	\$3,000.00	\$3,010.00	\$3,100.00
17	Subproject R: Consent Review (Optional Deliverable)	\$4,200.00	\$4,300.00	\$4,450.00
18	Subproject V: Unusual Discoveries/Extra Services (Part Of 10% Contingency)	County to complete	County to complete	County to complete

Approval by the Board of Supervisors is required for all service contract contracts where for any year of the contract, the annual value to any one contractor exceeds \$200,000.

Attachment A

Approval by the Board of Supervisors is required for all service contracts where the total contract value exceeds or is anticipated to exceed \$1,000,000 when all contract years are taken into consideration for multi-year contracts.

4. **Price Increase/Decreases:**

No price increases will be considered during the first term of the Contract. County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required for consideration of such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to County of Orange. County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of Contract. Adjustments increasing Contractor's profit will not be allowed.

5. **Firm Discount and Pricing Structure:**

Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to County during the term of this Contract not otherwise specified and provided for within this Contract.

6. **Payment in Arrears:**

Invoices are to be submitted in arrears to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Contractor shall reference Contract number on invoice. Payment will be net thirty (30) days after receipt of an invoice in a format acceptable to County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with Contractor.

Billing shall cover services and/or goods not previously invoiced. Contractor shall reimburse County of Orange for any monies paid to Contractor for goods or services not provided or when goods or services do not meet Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

7. **Payment – Invoicing Instructions:**

Invoicing Instructions: The Contractor will provide an invoice on the Contractor's letterhead for services rendered. Each invoice will have a number and will include the following information:

Each invoice shall include a number and will include the following information:

1. Contractor's name and address
2. Contractor's remittance address

Attachment A

3. County Contract # **MA-003-26010507**
4. Contractor's Federal I.D. Number
5. Services Provided (man hours and billing rates pertinent to the auditing/accounting services for each subproject of this Contract)
6. Invoice Amount (the amount invoiced shall not exceed the established fixed price for each subproject, including any Contract Amendments.
7. Less retention %
8. Total Due to Contractor

Progress payments schedule – invoices may be submitted once a month in arrears of services rendered and accepted by County. The hourly rate specified shall be proportionately prorated if more or less than one hour of service is provided.

Invoices and support documentation are to be forwarded to:

Auditor-Controller
Attention: Finance Unit-AC Invoices
1770 N. Broadway
Santa Ana, CA 92706
E-mail: ACInvoices@ocauditor.gov

8. Payment (Electronic Funds Transfer (EFT)):

County of Orange offers contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to The County of Orange via an EFT Authorization Form. To request a form, contact the agency/department Deputy Purchasing Agent listed in Contract. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.

Attachment A

ATTACHMENT C - COUNTY PROVIDED RESOURCES

1. (Complete and submit as Attachment C to response to Item #3, Section II, Part 3)

1) Offeror must identify and list any requirements for County-Furnished equipment, materials, facilities or any other County support that will be necessary to implement and complete this project. The County reserves the right to accept or reject any and all requests /requirements for County-Furnished items and assistance.

To assist the Contractor in the performance of this examination, the County will make available, through the Auditor-Controller, support personnel to provide reasonable assistance for tasks such as: identifying locations of required records and documentation, gathering needed records and supporting information, obtaining lists, scheduling of detail data required in various tests, and other tasks that will serve to expedite the conduct of the engagement.

For these purposes, the Manager of the Auditor-Controller Financial Reporting and Mandated Cost Unit (the "Project Manager" for this Contract), shall provide such assistance as required, and shall designate other support personnel within the County whom the Contractor may contact for additional assistance.

Said County support personnel shall not be available for any purpose, nor for use in any manner that, in the reasonable determination of the Auditor-Controller, could be construed as making said personnel a part of the Contractor's audit team.

The County shall not be obligated to make available the services of support personnel except during normal County work hours, except that, if the Auditor-Controller, in his sole judgment and discretion, determines that circumstances necessitating overtime are caused by the County, the County shall take reasonable measures to make the services of such personnel available outside normal County work hours as reasonably necessary.

2.) Reasonable office space, desks, tables, chairs, and telephones will be provided during normal County work hours (8:00 a.m. to 5:00 p.m.) only.

3.) Access to a photocopy machine will be provided.

Attachment A**ATTACHMENT D - PROJECT PLAN / TIMELINE (dates to be modified)****1. (Complete and submit as Attachment D, as item #4) (dates to be modified)**

Respondents' implementation plan shall include a detailed timeline with milestones to provide the deliverables included in the scope of work, as well as any other deliverables the Offeror deems necessary/desirable to meet the County's objectives.

The Project Schedule for all subprojects shown in this Attachment is for the audits of Fiscal Year 2025-2026. A similar schedule for the audits of each of the remaining years of this Contract, Fiscal Years 2026-2027 and 2027-2028, shall be on or around the same completion date for the audit of Fiscal Year 2025-2026. The County is implementing a new ERP, with an expected go-live date of 7/01/2027. This may impact the timeline for the FY 2026-2027 and FY 2027-2028 audits, as well as change the business processes for completing the ACFR by County staff.

A. PROJECT A – FY 2025-2026 Annual Comprehensive Financial Report (ACFR) - Milestone / Completion Date

- Planning and Interim Audit Procedures - To be determined
- Review Preliminary Fund Level ACFR Components - October 8, 2026
- Review Final Draft of ACFR - December 11, 2026
- Sign and Submit Report on Examination of Financial Statements - December 18, 2026

Deliverable - Due on or Before

- Contractor shall analyze partial ACFR and draft of Fund Level Financial Statements and recommend any revisions deemed necessary, in order for the County to proceed with preparation of Government Wide Financial statements. - October 8, 2026
- Contractor shall analyze entire ACFR and basic financial statements and recommend any revisions deemed necessary. - December 11, 2026
- Contractor shall sign and submit its report on the examination of the financial statements. - December 18, 2026

B. PROJECT B – FY 2025-2026 Audit of Investment Trust Funds

- All milestones, completion dates and deliverables will coincide and be included as part of the ACFR.

C. PROJECT C – FY 2025-2026 Audit of Pension and Other Postemployment Benefit Trust Funds

Attachment A

- All milestones, completion dates and deliverables will coincide and be included as part of the ACFR.

D. **PROJECT D – FY 2025-2026 Single Audit Reports - Milestone / Completion Date**

- Planning and Interim Audit Procedures - To be determined
- Fiscal Year-end Work - January 29, 2027
- Deliver Drafts of Reports - February 26, 2027
- Deliver Single Audit Reports - March 22, 2027

Deliverable - Due on or before

- Contractor shall deliver Single Audit Reports to the County Auditor-Controller - March 22, 2027
- Service warranty work as required by the County or Federal Government. - To be determined

E. **PROJECT E – FY 2025-2026 Agreed-Upon Procedures for Attestation of Section 8 Cluster to HUD - Milestone / Completion Date**

- Interim Procedures - To be determined
- Deliver Draft Letter - March 18, 2027
- Deliver Final Letter - March 31, 2027

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - March 29, 2027

F. **SUBPROJECT F – FY 2025-2026 Management Letter - Milestone / Completion Date**

- Prepare Management Letter - January 29, 2027
- Deliver Draft of Management Letter - February 26, 2027
- Deliver Management Letter - February 26, 2027

Deliverable Due on or before

- Contractor shall deliver Management Letter to the County Auditor-Controller. - March 22, 2027

Attachment A

G. SUBPROJECT G – FY 2025-2026 Audit of John Wayne Airport, Orange County - Milestone / Completion Date

- Interim Audit Procedures -To be determined
- Fiscal Year-End Work - November 20, 2026
- Deliver Draft Report - December 4, 2026
- Deliver Audit Report - December 11, 2026

Deliverable Due on or before

- Contractor shall deliver audit report to the County Auditor-Controller. - December 18, 2026

H. SUBPROJECT H – FY 2025-2026 Audit of John Wayne Airport Passenger Facility Charge (PFC) Revenue - Milestone / Completion Date

- Interim Audit Procedures - To be determined
- Fiscal Year-End Work - November 20, 2026
- Deliver Draft Report - December 4, 2026
- Deliver Audit Report - December 11, 2026

Deliverable Due on or before

- Contractor shall deliver audit report to the Auditor-Controller. - County December 18, 2026

I. SUBPROJECT I – FY 2025-2026 Audit of the OC Waste & Recycling Department - Milestone / Completion Date

- Interim Audit Procedures - To be determined
- Fiscal Year-End Work - December 4, 2026
- Deliver Draft Report - December 4, 2026
- Deliver Audit Report - December 18, 2026

Deliverable Due on or before

- Contractor shall deliver audit report to the County - December 18, 2026

Attachment A

J. **SUBPROJECT J – FY 2025-2026 Agreed-Upon Procedures of Tobacco Settlement Revenue (TSR) Fund - Milestone / Completion Date**

- Interim Procedures - To be determined
- Deliver Draft Letter - November 13, 2026
- Deliver Final Letter - November 27, 2026

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - November 27, 2026

K. **PROJECT K & L – FY 2025-2026 Agreed-Upon Procedures of Appropriations Limit Calculation - Milestone / Completion Date**

- Interim Procedures - To be determined
- Deliver Draft Letter - August 31, 2026
- Deliver Final Letter - September 14, 2026

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - September 14, 2026

L. **PROJECT M – FY 2025-2026 Subsequent Review of CalOptima and County's Basic Financial Statements - Milestone / Completion Date**

- Interim Procedures - To be determined
- Deliver Draft Letter - To be determined
- Deliver Final Letter - To be determined

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - To be determined

M. **PROJECT N– FY 2025-2026 Subsequent Review of OCERS and County's Basic Financial Statements - Milestone / Completion Date**

- Interim Procedures - To be determined
- Deliver Draft Letter - To be determined

Attachment A

- Deliver Final Letter - To be determined

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - To be determined

N. PROJECT O– FY 2025-2026 Subsequent Review of OCHFT and County’s Basic Financial Statements - Milestone / Completion Date

- Interim Procedures To be determined
- Deliver Draft Letter To be determined
- Deliver Final Letter To be determined

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - To be determined

O. PROJECT P – FY 2025-2026 Annual Financial Audit of the Treasurer’s Schedule of Assets - Milestone / Completion Date

- Interim Procedures - To be determined
- Deliver Draft Letter - January 16, 2027
- Deliver Final Letter - January 30, 2027

Deliverable Due on or before

- Contractor shall deliver agreed-upon procedures letter to the County Auditor-Controller. - January 30, 2027

P. PROJECT Q – FY 2025-2026 Training - Milestone / Completion Date

- Training course materials approved by County - To be determined
- Training course completed - June 30, 2026

Deliverable Due on or before

- Contractor shall deliver training course materials to the County Auditor-Controller - June 30, 2026

ATTACHMENT E - HIPAA BUSINESS ASSOCIATE ADDENDUM

1. (BAA)

A. GENERAL PROVISIONS AND RECITALS

1. The parties agree that the terms used, but not otherwise defined below, shall have the same meaning as those terms in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as it may exist now or be hereafter amended.
2. It is agreed by both parties that Contractor is a Business Associate of County for the purposes of this Agreement.
3. It is understood by both parties that the HIPAA Security and Privacy Rules apply to the Contractor in the same manner as they apply to the covered entity (County). Contractor shall therefore at all times be in compliance with the applicable provisions of both the Privacy and the Security Rules as are described in Sections B.4 and B.5. below, and is responsible for complying with the issued regulations for said rules, as they currently exist or are hereafter amended, for purposes of safeguarding any Protected Health Information (PHI) used or generated by Contractor consistent with the terms of this agreement.
4. It is understood by both parties that the Privacy Rule does not pre-empt any state statutes, rules or regulations that impose more stringent requirements with respect to confidentiality of PHI.
5. County wishes to disclose certain information to Contractor pursuant to the terms of this Agreement, some of which may constitute PHI as defined in Section B.6. below.
6. County and Contractor intend to protect the privacy and provide for the security of PHI disclosed to the Contractor pursuant to this Agreement, in compliance with HIPAA and the regulations promulgated thereunder by the U.S. Department of Health and Human Services as they may now exist or be hereafter amended.

B. DEFINITIONS

1. “Breach” means the acquisition, access, use, or disclosure of Protected Health Information in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the Protected Health Information.
 - a. For purposes of this definition, compromises the security or privacy of the Protected Health Information means poses a significant risk of financial, reputational, or other harm to the Individual.
 - b. A use or disclosure of Protected Health Information that does not include the identifiers listed at §164.514 (e) (2), date of birth, and zip code does not compromise the security or privacy of protected health information
 - c. Breach excludes:

Attachment A

- 1) Any unintentional acquisition, access, or use of Protected Health Information by a workforce member or person acting under the authority of a covered entity or a business associate, if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule.
 - 2) Any inadvertent disclosure by a person who is authorized to access Protected Health Information at a covered entity or business associate to another person authorized to access Protected Health Information at the same covered entity or business associate, or organized health care arrangement in which the covered entity participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the Privacy Rule.
 - 3) A disclosure of Protected Health Information where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
2. “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.
 3. “Individual” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.502(g).
 4. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
 5. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.
 6. “Protected Health Information” or “PHI” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103, as applied to the information created or received by Business Associate from or on behalf of Covered Entity.
 7. “Required by Law” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.103.
 8. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.
 9. “Unsecured Protected Health Information” means Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of Health and Human Services in the guidance issued on the HHS Web site.

Attachment A

C. OBLIGATIONS AND ACTIVITIES OF Contractor AS BUSINESS ASSOCIATE:

1. Contractor agrees not to use or disclose PHI other than as permitted or required by this Agreement as required by law, or as necessary to perform the audit services described in this Agreement.
2. Contractor agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.
3. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this Agreement.
4. Contractor agrees to report to County within [five (5) business days] any use or disclosure of PHI not provided for by this Agreement of which Contractor becomes aware.
5. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from County, or created or received by Contractor on behalf of County, agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.
6. Contractor agrees to provide access, within [fifteen (15) calendar days] of receipt of a written request by County, to PHI in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under 45 CFR Section 164.524.
7. Contractor agrees to make any amendment(s) to PHI in a Designated Record Set that County directs or agrees to pursuant to 45 CFR Section 164.526 at the request of County or an Individual, within thirty (30) calendar days of receipt of said request by County. Contractor agrees to notify County in writing no later than [ten (10) calendar days] after said amendment is completed.
8. Contractor agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of County, available to County and the Secretary, in a time and manner as determined by County, or as designated by the Secretary, for purposes of the Secretary determining County's compliance with the Privacy Rule.
9. Contractor agrees to document any disclosures of PHI and to make information related to such disclosures available as would be required for County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
10. Contractor agrees to provide County or an Individual, as directed by County, in a time and manner to be determined by County, that information collected in accordance with this Agreement, in order to permit County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
11. Contractor shall work with County upon notification by Contractor to County of a Breach to properly determine if any Breach exclusions exist as defined in Section B.1.c. above.

Attachment A

D. SECURITY RULE

1. Security. Contractor shall establish and maintain appropriate administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI. Contractor shall follow generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of PHI.
2. Agents and Subcontractors. Contractor shall ensure that any agent, including a subcontractor, to whom it provides electronic PHI, agrees to implement reasonable and appropriate safeguards to protect the PHI.
3. Security Incidents. Contractor shall promptly report to County any Security Incident affecting electronic PHI of which it becomes aware. "Security Incident" means attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations. "Security incident" does not include trivial incidents that occur on a daily basis, such as scans, "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by Contractor.

E. BREACH DISCOVERY AND NOTIFICATION

1. Following the discovery of a Breach of Unsecured Protected Health Information, Contractor shall notify County of such Breach, however both parties agree to a delay in the notification if so advised by a law enforcement official, pursuant to 45 CFR 164.412.
2. A Breach shall be treated as discovered by Contractor as of the first day on which the Breach is known to the Contractor, or by exercising reasonable diligence, would have been known to Contractor.
3. Contractor shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have known, to any person who is an employee, officer, or other agent of the Contractor, as determined by federal common law of agency.
4. Contractor shall provide the notification of the Breach without unreasonable delay, and in no case later than [five (5) business days] after a Breach.
5. Contractor's notification may be oral but shall be followed by written notification within 8 hours of the oral notification. Thereafter, Contractor shall provide detailed written notification containing the contents stated below, within [ten (10) business days] of discovery of the Breach. Contractor shall be required to provide any other information relevant to the Breach in writing, as soon as discovered, or as soon as the information is available.
6. Contractor's notification shall include, to the extent possible:

Attachment A

a. The identification of each Individual whose unsecured protected health information has been, or is reasonably believed by Contractor to have been, accessed, acquired, used, or disclosed during the Breach,

b. Any other information that County is required to include in the notification to Individual it must provide pursuant to 45 CFR §164.404 (c), at the time Contractor is required to notify County, or promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period set forth in 45 CFR § 164.410 (b) has elapsed, including:

1) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

2) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

3) Any steps Individuals should take to protect themselves from potential harm resulting from the Breach;

4) A brief description of what Contractor is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any future Breaches; and

5) Contact procedures for Individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

7. County may require Contractor to provide notice to the Individual as required in 45 CFR § 164.404 if it is reasonable to do so under the circumstances and the Breach was caused by Contractor's breach of its obligations under this Agreement. The parties shall mutually agree on the content and method of such notification, and County shall reimburse Contractor for the reasonable costs of providing such notification,

8. In the event that Contractor is responsible for, or suffers a Breach of Unsecured Protected Health Information, in violation of the Privacy Rule, Contractor shall have the burden of demonstrating that Contractor made all notifications to County as required by the Breach Notification regulations, or in the alternative, that the use or disclosure did not constitute a Breach as defined in 45 CFR § 164.402.

9. Contractor shall maintain documentation of all required notifications required pursuant to this Agreement in the event of an impermissible use or disclosure of Unsecured Protected Health Information, or its risk assessment of the application of an exception to demonstrate that the notification was not required.

10. Contractor shall provide to County all specific and pertinent information about the Breach to permit County to meet its notification obligations under the HITECH Act, as soon as practicable,

Attachment A

but in no event later than [fifteen (15) calendar days] after reporting the initial Breach to the County.

11. Contractor shall continue to provide all additional pertinent information about the Breach to County as it may become available, in reporting increments of [fifteen (15) calendar days] after the last report to County. Contractor shall also respond in good faith to any reasonable requests for further information, or follow-up information after report to County, when such request is made by County.

12. Contractor shall bear all reasonable expenses and costs directly caused by the Breach that results from Contractor's negligence or willful misconduct and shall reimburse County for reasonable expenses County incurs in addressing such Breach including costs of investigation, notification, and remediation directly attributable to Contractor's breach of its obligations under this Agreement. Contractor's liability shall be subject to the limitation of liability provisions set forth in the main Agreement.

F. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

1. Except as otherwise limited in this Agreement, Contractor may use or disclose PHI to perform functions, activities, or services for, or on behalf of, County as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by County or the minimum necessary policies and procedures of County.

2. Contractor is permitted to use PHI as necessary for the proper management and administration of Contractor or to carry out legal responsibilities of Contractor. (ref. 45 C.F.R. 164.504(e)(4)(i)(A-B)).

3. Contractor is permitted to disclose PHI received from County for the proper management and administration of Contractor or to carry out legal responsibilities of Contractor, provided:

a. The disclosure is required by law; or

b. Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, the person will use appropriate safeguards to prevent unauthorized use or disclosure of the PHI, and the person immediately notifies Contractor of any instance of which it is aware in which the confidentiality of the Information has been Breached. (ref. 45 C.F.R. 164.504(e)(4)(ii)).

4. Contractor is also permitted to use or disclose PHI to provide data aggregation services, as that term is defined by 45 C.F.R. 164.501, relating to the health care operations of County.

G. OBLIGATIONS OF County

Attachment A

1. County shall notify Contractor of any limitation(s) in County's notice of privacy practices in accordance with 45 CFR Section 164.520, to the extent that such limitation may affect Contractor's use or disclosure of PHI.
2. County shall notify Contractor of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Contractor's use or disclosure of PHI.
3. County shall notify Contractor of any restriction to the use or disclosure of PHI that County has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.
4. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by County.

H. BUSINESS ASSOCIATE TERMINATION

1. Notwithstanding the Termination provisions set forth in this Agreement, the Agreement shall only terminate when all of the PHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or if infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Section.
2. In addition to the rights and remedies provided in the Termination paragraph of this Agreement, upon County's knowledge of a material breach by Contractor of the requirements of this Paragraph, County shall either:
 - a. Provide an opportunity for Contractor to cure the material breach or end the violation and terminate this Agreement if Contractor does not cure the material breach or end the violation within thirty (30) business days; or
 - b. Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
 - c. If neither termination nor cure is feasible, County shall report the violation to the Secretary of the Department of Health and Human Services.
3. Upon termination of this Agreement, all PHI provided by County to Contractor, or created or received by Contractor on behalf of County, shall either be destroyed or returned to County as provided in the Termination paragraph of this Agreement, and in conformity with the Privacy Rule.
 - a. This provision shall apply to PHI that is in the possession of subcontractors or agents of Contractor.
 - b. Contractor shall retain no copies of the PHI, except as required by applicable

Attachment A

law or professional standards for audit documentation and retention.

c. In the event that Contractor reasonably determines that returning or destroying the PHI is infeasible due to legal, regulatory or professional obligations,

Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon determination by County that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such PHI.