

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

AGENDA CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING February 21, 2018 1:00 PM – 3:00 PM Pelican Room #107

- I. CALL TO ORDER
- II. PUBLIC COMMENT - Pursuant to Florida Statute 286.0114 the Audit Committee will allow public comment on any matter either identified on this meeting agenda as requiring action, or anticipated to come before the Committee for action in reasonable proximity to this meeting. Speakers shall be limited to three minutes per person and the assignment of one person's time to another or designation of group spokesperson shall be allowed at the discretion of the Committee Chairman.
- III. APPROVAL OF THE OCTOBER 26, 2017 MINUTES – **Action Item**
- IV. INTERNAL AUDIT MATTERS- Protiviti
 - A. Status Update: Fiscal 2018 Internal Audit Plan- Info Item
 - B. Review and Acceptance of Prior Audit Recommendations Follow-Up- **Action Item**
 - C. Review and Acceptance of Procurement and Contract Billing Audits- **Action Item**
 - D. Review and Acceptance of Safety and Maintenance Policies and Procedures Compliance Audit- **Action Item**
 - E. Review and Acceptance of TRAILS Program Review- **Action Item**
 - F. Review and Acceptance of DHSMV Data Security Assessment- **Action Item**
 - G. Review and Acceptance of PCI Assessment with Report on Compliance- **Action Item**
- V. ANNUAL REVIEW AND APPROVAL OF THE AUDIT COMMITTEE CHARTER- **Action Item**
- VI. REVIEW OF RFP FOR INTERNAL AUDIT SERVICES AND DESIGNATION OF COMMITTEE MEMBER TO SERVE ON EVALUATION COMMITTEE- **Action Item**
- VII. REVIEW OF RFP FOR PCI AUDIT SERVICES AND DESIGNATION OF COMMITTEE MEMBER TO SERVE ON EVALUATION COMMITTEE- **Action Item**
- VIII. REVIEW AND APPROVAL OF FISCAL 2019 INTERNAL AUDIT BUDGET- **Action Item**
- IX. OTHER BUSINESS
- X. ADJOURNMENT

This meeting is open to the public.

Note: Any person who decides to appeal any decision made at this meeting will need record of the proceedings and for that purpose, may need to ensure that a verbatim record of the proceedings is made which includes the testimony any evidence upon which the appeal is to be based, per Florida Statute 286.0105.

In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodation to participate in this proceeding, then not later than two (2) business days prior to the proceeding, he or she should contact the Central Florida Expressway Authority at (407) 690-5000.

Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5317 or by email at Iranetta.dennis@CFXway.com at least three business days prior to the event.

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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

MINUTES
CENTRAL FLORIDA EXPRESSWAY AUTHORITY
AUDIT COMMITTEE MEETING
October 26, 2017
Location: Pelican Conference Room 107

Committee Members Present:

Kaye Dover, Osceola County Representative, Chairman
Bruce McMenemy, Seminole County Representative
Brian Battles, City of Orlando Representative
Kristy Mullane, Lake County Representative
Eric Gassman, Orange County Representative
Megan Zee, Citizen Representative

Also Present:

Ruth Valentin, Recording Secretary/Office Coordinator
Lisa Lumbard, CFO
Linda Lanosa, Deputy General Counsel
Michael Carlisle, Director of Accounting and Finance
Corey Quinn, Chief of Technology/Operations
Jeff Tecau, Protiviti
Teresa Mallery, Protiviti
David Taylor, Protiviti
Chris Porter, Protiviti
Joel Knopp, MSL
Dan O'Keefe, MSL

1. CALL TO ORDER

The meeting was called to order at 1:59 p.m. by Chairman Kaye Dover.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF MINUTES

It was recommended by Ms. Dover to correct the date on page 6 of the June 22, 2017 drafted minutes.

A motion was made by Ms. Mullane and seconded by Mr. Gassman to accept the changes recommended by Chairman Kaye Dover and to accept the June 22, 2017 Audit Committee minutes. The motion carried unanimously with six members present and voting AYE by voice vote.

4. EXTERNAL AUDIT MATTERS

Review and Acceptance of Audit of Fiscal 2017 Financial Statements and Required Communications

Dan O'Keefe, and Joel Knopp of Moore Stephens Lovelace presented the Fiscal 2017 Financial Statements and Required Communications.

A motion was made by Mr. Battles and seconded by Mr. Gassman to accept the Fiscal 2017 Financial Statements and Required Communications as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

5. INTERNAL AUDIT MATTERS

A. Status Update: Fiscal 2018 Internal Audit Plan

Jeff Tecau of Protiviti presented an update on the Status of the Fiscal Year 2018 Internal Audit Plan.

It was noted that Protiviti should attend the Blackstone Kickoff meeting due to the fact that Board member Jay Madara requested that they look at the shared information and connections between CFX and Blackstone.

(This item was presented for information only. No formal committee action was taken.)

B. Procurement and Contract Billing Audits

Contract Audit Selections

Teresa Mallary of Protiviti presented the list of potential contracts to be audited during the Fiscal Year 2018 Contracts Audit.

The Committee requested to exchange the AECOM Technical Services, Inc., contract with Groundtek of Central Florida.

(This item was presented for information only. No formal committee action was taken.)

Subject Matter Expert Travel Expenses

Mr. Tecau requested approval for travel expenses in case a subject matter expert needs to be used for a project.

A motion was made by Mr. Gassman and seconded by Ms. Mullane to approve subject matter experts to be brought in with a \$2,500 cap. The motion carried unanimously with six members present and voting AYE by voice vote.

C. Review and Acceptance of Prior Audit Recommendations Follow-Up

Ms. Mallery presented the Prior Audit Recommendations Follow-Up Report. Lisa Lumbard presented the status for past due items as highlighted in the Prior Audit Recommendation Follow-Up.

A motion was made by Mr. Battles and seconded by Mr. Gassman to accept the Prior Audit Recommendations Follow-Up as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

D. Review and Acceptance of Information Security Risk Assessment, Phase II

David Taylor of Protiviti presented the Executive Summary of the Information Security Risk Assessment Phase II.

A motion was made by Mr. McMenemy and seconded by Ms. Mullane to accept the Information Security Risk Assessment, Phase II as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

6. OTHER BUSINESS

Mr. Gassman inquired if CFX had any insurance coverage when tolls were suspended due to hurricane Irma. Ms. Lumbard advised the Committee that the insurance will only cover damages done to the roadways and not if the Governor suspends tolls.

Ms. Dover asked about the Audit Committee charter. The charter states that in the absence of any objection, the Chair or any Committee member can add or subtract an agenda items at a meeting. Discussion ensued.

Ms. Dover also informed the Committee that the next meeting will be held on January 25, 2018.

7. ADJOURNMENT

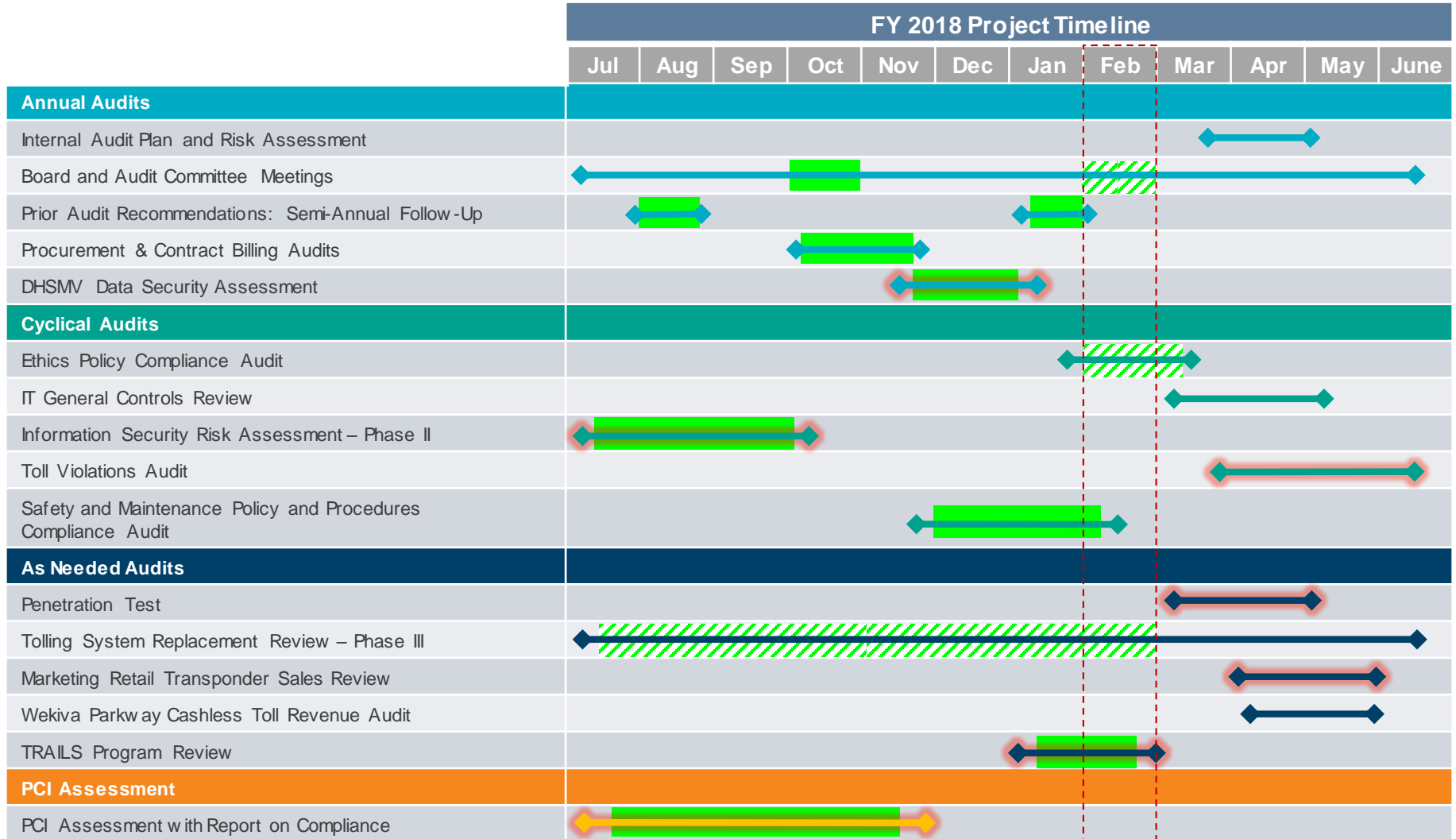
The meeting adjourned at 2:58 p.m.

Minutes approved on _____, 2017.

Pursuant to the Florida Public Records Law and CFX Records Management Policy, audio tapes of all Board and applicable Committee meetings are maintained and available upon request to the Records Management Liaison Officer at publicrecords@CFXway.com or 4974 ORL Tower Road, Orlando, FL 32807.

FY 2018 Internal Audit Dashboard

As of February 21, 2018



◆ Plan ◆ Revised Plan ● Complete ▨ In-Process

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

January 15, 2018

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EXECUTIVE SUMMARY



Overview

As part of the Fiscal Year 2018 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



- 2013 Toll Revenue Audit
- 2016 Toll Revenue Audit
- 2017 Public Records Review
- 2017 Procurement and Contract Billing Audit
- 2017 Customer Service Center Performance Assessment
- 2017 Change Management - Tolling System Replacement Audit
- 2017 Human Resources Process Review
- 2017 Business Continuity Management Review
- 2018 Information Security Risk Assessment – Phase II

Internal Audit last reviewed the status of open audit recommendations in August 2017. Results were reported to the Audit Committee at that time.



Objectives, Scope, and Approach

This review was completed as of January 15, 2018, and consisted of meetings with management to determine the status of open audit recommendations and testing of management's response and status. In addition, only those recommendations that remained open at the time of the last review have been included in this report. If a recommendation was completed as of August 15, 2017, no further work was performed and the recommendation was not included for review.

Testing performed included inquiry with the employees responsible for completing the recommendations and/or review of documentation evidence to confirm management's reported status and explanation. In instances where the evidence obtained did not agree with management's status, discussions with management were held and the differences were resolved. There were no instances where management and Internal Audit did not come to an agreement on the status of a prior audit recommendation.

EXECUTIVE SUMMARY



Recommendations Summary

Audit	Open as of August 15, 2017	New Action Plans	Completed as of January 15, 2018	In Progress as of January 15, 2018*	Past Due
2013 Toll Revenue Audit	1	0	0	1	1
2016 Toll Revenue Audit	1	0	1	0	0
2017 Public Records Review	5	0	2	3	0
2017 Procurement and Contract Billing Audit	1	0	1	0	0
2017 Customer Service Center Performance Assessment	3	0	1	2	0
2017 Change Management - Tolling System Replacement Audit	1	0	0	1	0
2017 Human Resources Process Review	3	0	0	3	0
2017 Business Continuity Management Review	4	0	2	2	1
2018 Information Security Risk Assessment – Phase II	0	3	0	3	0
Total	19	3	7	15	2

*15 recommendations are classified as "In Progress." 2 of these recommendations are considered "Past Due."

STATUS OF PAST DUE RECOMMENDATIONS

#	Audit	Management Action Plan	Responsible Party	Summary of Status	Due Date
1	2013 Toll Revenue Audit	<p>Potential Revenue Leakage/Toll Collections Audit:</p> <p>CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.</p>	David Wynne, Director of Toll Operations	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the calendar year. The due date has been revised to reflect the project timeline.	Original: 7/1/2015 Revised: 12/31/2017 Revised: 12/31/2018
2	2017 Business Continuity Management Review	Management will create a crisis management testing program.	Michelle Maikisch, Chief of Staff and Public Affairs	CFX has hired a Facilities Maintenance Supervisor responsible for developing the Crisis Management Testing Program. However, due to delays caused by the onboarding process and Hurricane Irma, the project due date was revised.	Original: 12/31/2017 Revised: 10/31/2018

STATUS OF ALL OPEN RECOMMENDATIONS

STATUS OF ALL OPEN RECOMMENDATIONS

2013 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Potential Revenue Leakage/Toll Collections Audit:</p> <p>CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.</p>	David Wynne, Director of Toll Operations	In Progress (Past Due)	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the calendar year. The due date has been revised to reflect the project timeline.	<p>Original: 7/1/2015</p> <p>Revised: 12/31/2017</p> <p>Revised: 12/31/2018</p>

2016 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Video Monitoring of Counting Room:</p> <p>CFX will procure and deploy surveillance equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in the upcoming camera installation project.</p>	Fred Nieves, Manager of E-PASS & Plaza Operations	Complete	The new surveillance equipment was deployed as part of the CFX Headquarters Building Security System Upgrades Project. The project included installation of two cameras for the mailroom and counting rooms which record on movement. Footage is retained for 30 days and can be accessed by the security guard at the front desk or the Facilities Maintenance Supervisor.	<p>Original: 12/31/2016</p> <p>Revised: 2/28/2018</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Records Management Policy and Procedures:</p> <p>CFX will develop a revised policy and desktop procedures to clearly state the direction of the Records Management function and clearly define and document key aspects of CFX's records management activities currently in place.</p>	Michelle Maikisch, Chief of Staff	In Progress	The revised policy has been approved by the Board. Desktop procedures are in development and are expected to be completed by the original due date.	Policy revision: 6/30/2017 (Complete) Desktop procedures: 6/30/2018
<p>Record Coordinator Training:</p> <p>CFX will develop a formalized training process for the Record Coordinators with assistance of the records management consultant. Training will be in addition to the basic public records training for all employees and will include detail specific to their role and responsibilities as Record Coordinators.</p>	Michelle Maikisch, Chief of Staff	Complete	The formalized training process for Record Coordinators is complete and is being administered in three parts on a rotational basis to all Record Coordinators.	12/31/2017
<p>Records Management Database:</p> <p>CFX will research solutions to replace the records management database and will include the procurement of a new database in the budget for the next fiscal year.</p>	Michelle Maikisch, Chief of Staff Corey Quinn, Chief of Technology/Operations	In Progress	Research for solutions to replace the records management database is being conducted by the Records Administrator. Purchase and implementation of the new Enterprise Document Management System is currently scheduled for the beginning of FY 2019 with an expected deployment date in September 2018. The due date has been revised to reflect the project timeline.	Original: 6/30/2018 Revised: 9/30/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Text Message Collection:</p> <p>Management will implement a revised mobile device procedure requiring users to keep iMessage turned off. Additionally, CFX will consider implementing a Mobile Device Management (MDM) tool to monitor compliance with revised procedures.</p>	Corey Quinn, Chief of Technology/Operations	Complete	The revised procedure has been implemented and compliance is currently being monitored manually. Research into the MDM capabilities is complete and will be a component of Office 365 to CFX in March 2018.	Procedure Updates: 6/30/2017 (Complete) Review Vendor MDM Capabilities: Original: 3/31/2017 Revised: 3/31/2018
<p>Electronic Public Records Destruction:</p> <p>CFX will establish a systematic destruction process for each type of electronic technology. The process will be documented in the policies and desktop procedures. CFX will explore e-mail management tools available to assist with the destruction process.</p>	Michelle Maikisch, Chief of Staff	In Progress	<p>Research into e-mail management tools available through Office 365 is ongoing and is expected to be completed by the original due date.</p> <p>The systematic destruction process has been completed and implemented.</p>	6/30/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Procurement and Contract Billing Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Contractor Compliance with Insurance Requirements</p> <p>CFX will perform a retrospective review for the A.M. Best Ratings and financial size categories for insurance carriers currently utilized by vendors for all active construction and maintenance contracts retroactive to July 1, 2016. CFX will also perform a review when new insurance certificates are submitted for review.</p>	Aneth Williams, Director of Procurement	Complete	The Procurement Department has completed the review without exception.	12/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Customer Service Center Performance Assessment

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Business Analytics/Performance Monitoring:</p> <p>CFX Toll Operations will identify a number of Key Performance Indicators (KPIs) for performance monitoring that will be displayed on the dashboards within the contact center. CFX will also determine the frequency of measurement to be displayed on the dashboards (real-time, weekly, monthly metrics, etc.). In addition, CFX will work with the third party contact center vendor to create business analytics related to the content of the dashboards.</p>	<p>David Wynne, Director of Toll Operations</p> <p>Corey Quinn, Chief of Technology/Operations</p>	In Progress	CFX Toll Operations is currently refining a list of Key Performance Indicators (KPIs) but does not consider the list ready to display on the dashboards at this time. A Business Intelligence Analyst was recently hired by CFX to explore options to automate the collection and reporting of KPIs. The action plan is expected to be completed by the original due date.	4/30/2018
<p>Intelligent Voice Response (IVR) Solution:</p> <p>CFX has identified a Call Path Report within IVR that consists of historical graphs, error reporting, and service utilization. CFX will work with the third party contact center vendor to provide data in an acceptable format and provide an internal link for Toll Operations to access the data.</p>	<p>Corey Quinn, Chief of Technology/Operations</p>	In Progress	CFX is currently working with the third party contact to provide IVR reporting/monitoring data. CFX is further exploring options to analyze the data to identify common issues, trends, and coaching opportunities. Work is on track to be completed by the original due date.	4/30/2018
<p>Quality Assurance Processes:</p> <p>Screen captures are scheduled to be recorded for each call to allow QA to monitor an agent's use of the system during a call. However, the data is not being captured. CFX will review and work on a fix for this issue.</p>	<p>David Wynne, Director of Toll Operations</p> <p>Corey Quinn, Chief of Technology/Operations</p>	Complete	CFX has been working with the vendor and has resolved the issue. Virtual Observer is now capturing both audio and desktop screens for all agents.	4/30/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Change Management – Tolling System Replacement Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>TSR Vulnerability Scans:</p> <p>Though the Critical and High vulnerabilities identified by the vulnerability scanner have been remediated, CFX will continue plans to remediate the Medium vulnerabilities near the completion of the TSR project.</p>	Corey Quinn, Chief of Technology/Operations	In Progress	The remediation of these vulnerabilities is contingent upon the Toll System Replacement project completion. As such, the due date for remediation should be after the project is complete (estimated June 2019), which is consistent with the original due date.	6/30/2019

2017 Human Resources Process Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Document HR Redundancy Plan:</p> <p>CFX will develop a redundancy plan strategy based on the current organization structure. For all department heads and executives, CFX will determine the necessary expertise required to fill the role, and will designate a position to perform the role's critical duties on an interim basis in the event of a planned or unplanned vacancy.</p>	Michelle Maikisch, Chief of Staff	In Progress	The organizational chart has been reviewed to begin identifying positions requiring similar expertise to department head and executive positions. The HR department is performing further analysis to refine and formally document the redundancy plan. Analysis is ongoing and is expected to be completed by the original due date.	7/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Human Resources Process Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Merit-Based Compensation:</p> <ol style="list-style-type: none"> CFX will define which performance evaluation scores are considered above average, average, and below average. CFX will define the merit adjustment percentages to be assigned to above average, average, and below average performers annually. The merit adjustment percentages and the performance evaluation scores required to earn each adjustment will be communicated to employees in order to enhance the goal-setting process. CFX executive team will schedule the annual performance evaluation review prior to distribution of final performance evaluation scores to ensure the supervisor evaluation style is homogenized. 	<p>Evelyn Wilson, Director of HR</p> <p>Michelle Maikisch, Chief of Staff</p>	In Progress	<ol style="list-style-type: none"> CFX has informally defined a range of performance evaluation scores considered above average, average, and below average. Ranges are due to be formally communicated to employees in February 2018. CFX will define the merit adjustment to be assigned to each range of performance evaluation scores as part of the budgeting process planned for April 2018. The CFX executive team will review all performance evaluations before results are distributed to employees, which is generally at the end of the fiscal year. 	7/1/2018
<p>Knowledge Management Plan:</p> <p>Based on the most recent entity-wide risk assessment performed in FY2017, CFX will focus initial knowledge management efforts, including the development of a knowledge management plan, on the Information Technology (IT) department. Additionally, knowledge sharing will be included in the teamwork aspect of annual performance evaluations.</p>	<p>Michelle Maikisch, Chief of Staff</p> <p>Corey Quinn, Chief of Technology/Operations</p> <p>Jim Greer, Director of IT</p>	In Progress	<p>The creation of a knowledge management plan is in progress and is expected to be completed by the due date. Backups for key personnel have been identified and documentation is expected to be centralized following the deployment of Office 365 in March 2018. Additionally, IT will include knowledge sharing in the teamwork aspect of the next round of annual performance evaluations.</p>	7/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Business Continuity Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Disaster Recovery Testing Plan:</p> <p>CFX will formalize a Disaster Recovery testing plan.</p>	Corey Quinn, Chief of Technology/Operations	Complete	The Disaster Recovery testing plan has been completed and approved by the Chief of Technology/Operations.	12/31/2017
<p>Crisis Management Testing:</p> <p>Management will create a crisis management testing program.</p>	Michelle Maikisch, Chief of Staff	In Progress (Past Due)	CFX has hired a Facilities Maintenance Supervisor responsible for developing the Crisis Management Testing Program. However, due to delays caused by the onboarding process and Hurricane Irma, the project due date was revised.	Original: 12/31/2017 Revised: 10/31/2018
<p>Crisis Management Plan:</p> <p>Management will formally document a Crisis Management Plan.</p>	Evelyn Wilson, Director of HR CFX Crisis Management Team ("CMT") CFX Executive Management	In Progress	CFX has hired a Facilities Maintenance Supervisor responsible for crisis management testing, business continuity plan development, and evacuation plans. However, due to delays caused by onboarding and Hurricane Irma, the project due date was revised. Additionally, CFX has hired an armed security guard to survey the front desk area and address security concerns within the building.	Original: 4/1/2018 Revised: 10/31/2018
<p>Business Continuity Plan:</p> <p>Each department will develop business continuity documentation.</p>	Lisa Lombard, Chief Financial Officer Joe Berenis, Chief of Infrastructure Corey Quinn, Chief of Technology/Operations Aneth Williams, Director of Procurement	Complete	The Accounting, Infrastructure, IT, and Procurement departments have all completed the required business continuity documentation.	12/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2018 Information Security Risk Assessment – Phase II

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Penetration Testing:</p> <p>Protiviti will conduct both an internal and external penetration test for CFX as part of the 2018 audit plan.</p>	Jim Greer, Director of IT	In Progress	Protiviti will conduct both tests as part of the 2018 audit plan. Work is expected to be completed by the original due date.	4/30/2018
<p>Data Loss Prevention Scans:</p> <p>CFX will evaluate network assets and consider which should be protected by Data Loss Prevention (DLP) scans. After successful tests, CFX will again consider expanding the DLP tool usage.</p>	Jim Greer, Director of IT	In Progress	Work is ongoing and is expected to be completed by the original due date.	4/30/2018
<p>Quality Assurance Processes:</p> <p>CFX will review the current configuration standards (IT-0013 and IT-0015) and enhance them utilizing a leading standard such as CIS.</p>	Jim Greer, Director of IT	In Progress	Work is ongoing and is expected to be completed by the original due date.	4/30/2018

Face the Future with Confidence

© 2018 Protiviti Inc. All Rights Reserved. This document has been prepared for use by CFX's management, audit committee, and board of directors. This report provides information about the condition of risks and internal controls at one point in time. Future events and changes may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.

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PROCUREMENT AND CONTRACT BILLING AUDIT

January 2018

**CENTRAL
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EXECUTIVE SUMMARY

Overview / Objectives / Scope and Approach

Overview

In accordance with the 2018 Internal Audit Plan, Internal Audit audited three Central Florida Expressway Authority (“CFX”) contracts with a combined contract value exceeding \$71.8 million from a population of large currently active engineering, service, maintenance, operations, and construction projects. The last contract billing audit was completed during February 2017 and included a different set of contracts.

Objectives

The objectives of this audit were to (1) audit the accuracy of items billed to CFX in accordance with contract terms and conditions, and (2) identify and test key processes and controls related to contract procurement, contract administration, project and cost management, and supplemental management agreement.

Project Scope and Approach

This audit was performed using a four-phased approach as outlined below:

Phase I – Contract Analysis and Selection

To select contracts for audit, Internal Audit obtained a listing of all active contracts with CFX and identified a short-list of contracts for audit after interviewing management and performing a risk analysis based on contract size, duration, terms and conditions, and nature of the work performed. The following contracts were selected for review and approved by the Audit Committee prior to audit:

1. **GLF Construction, Inc. (#001138)** – Contract for construction of S.R. 429 (Wekiva Parkway) from Lake County to S.R. 46. This contract began in March 2016 and has a current contract value of approximately \$49.5 million. As taken from Eden, CFX’s accounting system, total expenditures to date at the time of this audit were approximately \$41.3 million. This contract was selected due to it being a large contract with a new vendor.
2. **Groundtek of Central Florida, LLC (#000965)** – Contract for landscape maintenance services to be rendered for S.R. 408 and S.R. 417. This contract began in October 2013 and has a current contract value of approximately \$7.3 million. As taken from Eden, total expenditures to date at the time of this audit were approximately \$5.5 million. This contract was selected as a landscaping contract has not been audited previously.
3. **HNTB Corporation (#001144)** – Contract for general systems consultant services. This contract began in June 2016 and has a total contract value of \$15 million. As taken from Eden, total expenditures to date at the time of audit were approximately \$2.8 million. This contract was selected due to it being a new service for CFX.

Continued on the following page...

EXECUTIVE SUMMARY

Overview / Objectives / Scope and Approach

Phase II – Processes and Controls Review

Internal Audit performed procedures to review CFX's processes, policies, and procedures related to procurement, contract administration, project and cost management, and supplemental management agreement. Key internal controls within each of these areas were identified and tested, with the sample population being each contract selected in Phase I. A summary of the procedures performed, results, and observations are provided on the following pages. Additional details on the procedures performed are included in Appendix A.

In August 2017, Internal Audit completed a review of open recommendations issued as part of the prior year 2017 Procurement and Contract Billing Audit and verified that all have been incorporated into practice and policy by CFX staff. The audit recommendations issued during prior year audits were also considered and incorporated for review as part of the 2018 Procurement and Contract Billing Audit in order to verify that prior years' findings were resolved and are not prevalent in the contracts selected for fiscal year testing.

Phase III – Contract-Specific Audit Procedures

Internal Audit performed detailed procedures to review contract terms, costs billed to CFX, and other key attributes for each of the contracts selected for audit. The contracts selected, value, spend to date, sample tested, and percentage of spend tested are outlined below:

Contract	Contract Value	Spend to Date [1]	Sample Tested [2]	% Spend Tested
GLF Construction, Inc.	\$49,568,720	\$41,285,439	\$21,279,551	52%
Groundtek of Central Florida, LLC	\$7,321,215	\$5,486,595	\$3,416,349	62%
HNTB Corporation	\$15,000,000	\$2,836,954	\$1,546,021	55%

[1] As of October 30, 2017

[2] Invoices were selected for testing using judgmental sampling. A detailed report of all invoices paid to date was obtained for each contract and analyzed on a month over month basis to select samples for testing. The invoices selected were tested for compliance with contract terms and conditions.

Phase IV – Reporting and Deliverables

Internal Audit prepared this report for management review and comment and for issuance to the CFX Audit Committee.

SUMMARY OF PROCEDURES PERFORMED AND RESULTS

Process Areas / Procedures / Controls Tested

For the contracts selected for audit, Internal Audit identified risks and tested key controls within the process areas outlined below. Where applicable, a sample of detailed project costs was reviewed and tested for compliance with contract terms and conditions. The table below provides an overview of the areas reviewed for each contract audited. Further details related to the specific procedures performed are provided in Appendix A.

Process	Procedures Performed / Key Areas Reviewed	Total Controls Tested	Number of Observations	Observation Reference
Procurement	Project funding and bid authorization, project bidding (sealed bids and competitive sealed proposals), bid awards, bid bond requirements, and contract renewals.	25	0	-
Contract Administration	Contract terms and conditions, insurance, bond and permitting requirements, and minority and women owned business ("MWBE") requirements.	10	0	-
Project & Cost Management	Invoice processing, project planning, scheduling, quality control, subcontract management, cost management, owner direct material purchases ("ODMP") management, and project reporting.	30	2	1, 2
Supplemental Agreement Management	Supplemental agreement review, approval, and execution.	8	0	-
TOTALS:		73	2	

DETAILED OBSERVATIONS

Observation 1 – CEI Daily Inspection Report

Relative Priority

Low

Contract: GLF Construction, Inc. (#001138)

Observation

The Construction Engineer Inspection consultant (CEI) for each construction project is required to complete a daily inspection report to document the physical observation of materials installed by the contractor. The daily inspection reports serve as supporting documentation for the pay estimates/invoice created by the CEI and submitted to CFX for payment to the contractor.

For eight out of thirteen pay items within the GLF Construction September 2017 pay estimate, the quantities installed were omitted by the CEI from the daily inspection reports. GLF and the CEI had regular meetings to discuss the status of the project and at month end GLF provided support for quantities of materials installed. The CEI recorded the materials installed on a ledger with notes from the meeting, but did not report the quantities installed on the daily inspection reports as required by CFX.

Recommendation

CFX should reiterate the required payment documentation with the CEI to ensure the appropriate supporting documentation is maintained.

Management Response

Management concurs.

Management Action Plan

The Daily Inspection Reports for the installation of said items were supplemented to record the quantity installed. All other pay items will be traced back to their source for payment documentation.

Action Plan Owner / Due Date

Ben Dreiling, Director of Construction / Complete

Procurement

Contract
Administration

Project & Cost
Management

Supplemental
Agreement
Management

DETAILED OBSERVATIONS

Observation 2 – Billing Compliance Checklist

Relative Priority

Low

Contract: HNTB Corporation (#001144)

Observation

CFX engaged HNTB as a general systems consultant (GSC) to provide Information Technology System consulting services. To assist with the contract billing compliance, CFX appointed a Contract Support Specialist to review the consultant invoices for compliance with the contract terms and CFX billing policies. Although the Contract Support Specialist has identified and addressed several contractor billing anomalies and Internal Audit did not identify any billing noncompliance issues, the Contract Support Specialist is not using a billing compliance checklist, which is a leading practice to enhance the precision of the invoice review process and ensure completeness of review.

Recommendation

As a leading practice and to enhance the invoice review process, for contracts with contract values greater than \$50,000, CFX should require Contract Support Specialists to prepare a billing compliance checklist that identifies key contract terms and CFX billing policies. The Contract Support Specialist performing the detailed invoice review should utilize the checklist to ensure all key billing contract terms and CFX billing policies are met for each invoice. This will help confirm completeness of review.

Management Response

Management concurs

Management Action Plan

CFX will ensure the Contract Support Specialist utilizes a billing compliance checklist to aide in the review of contractor invoices. CFX will leverage the billing compliance checklists already developed in the construction and engineering departments as a template.

Action Plan Owner / Due Date

Corey Quinn, Chief of Technology and Operations / March 31, 2018

Procurement

Contract Administration

Project & Cost Management

Supplemental Agreement Management

APPENDIX A

Detailed Audit Procedures Performed

APPENDIX A

Detailed Audit Procedures Performed

Procurement

Internal Audit performed detailed audit procedures related to the procurement, bidding, award, and renewal of all contracts selected for testing. The procedures performed included:

- ❖ High level review of the process for establishing bid estimates for large construction contracts;
- ❖ Testing of Board approval to advertise for bids and proposals and Board approval of the contract award;
- ❖ Testing for the use of five-year contract terms and the option for five one-year renewals for contracts;
- ❖ Testing of the key components of the competitive sealed bid and proposal processes, including:
 - Completion and utilization of bidding and award schedules;
 - Timestamps applied to all received proposals and compliance with submission deadlines;
 - The use of bid opening and bid tabulation sheets;
 - Performance of unbalanced bid reviews for competitive bids;
 - Completion of disclosure forms by CFX's employees responsible for evaluating technical and price proposals; and
 - Comparison of evaluation and scoring to advertised request for proposals.
- ❖ Completion and distribution of the monthly expiring contracts report by the procurement department; and
- ❖ Completion and approval of the expiring contract renewal worksheet and Board approval of contract renewals.

Continued on the following page....

APPENDIX A

Detailed Audit Procedures Performed

Contract Administration

Internal Audit performed detailed audit procedures related to key contract terms and conditions utilized by CFX including the satisfaction of insurance, bonding, permitting and MWBE requirements by the contractors selected for testing. The procedures performed included:

- ❖ Testing for the review of contracts by CFX's Legal Counsel;
- ❖ Testing of key contract reviews and clauses, including:
 - Right to review by CFX's Legal Counsel; and
 - Inclusion of key right to audit, termination, and indemnity clauses.
- ❖ Outlining and testing of insurance, bonding, and permitting requirements specific to the contracts selected; and
- ❖ Satisfaction of MWBE requirements set forth in the original bid and as required by CFX.

Supplemental Agreement Management

Internal Audit performed detailed audit procedures related to supplemental agreement execution, review, and approval. The procedures performed included:

- ❖ Testing for Board approval of all supplemental agreements in excess of \$50,000;
- ❖ Testing for the approval of all supplemental agreements by the appropriate parties;
- ❖ Testing of adequate supporting documentation for compliance with contract terms and conditions regarding price and scope for all executed supplemental agreements related to the construction contracts selected for review; and
- ❖ Testing of a sample of fuel price and bituminous mix adjustments related to the construction contracts selected for review.

Continued on the following page....

APPENDIX A

Detailed Audit Procedures Performed

Project & Cost Management

Internal Audit performed detailed audit procedures related to invoice processing and approval, project planning, scheduling and quality control, project cost management and reporting, subcontractor management, CEI oversight, and ODMP processing. The procedures performed included:

- ❖ Testing of a sample of invoices for the projects selected for adequate review and approval by the appropriate personnel and compliance with CFX's invoice processing procedures;
- ❖ Discussion of current practices regarding quality control, risk management plans and performance, and quality monitoring;
- ❖ Testing of subcontractor approval and a sample of payments made to subcontractors;
- ❖ Detailed testing of costs billed for a sample of invoices selected for each of the service contracts selected, and detailed testing of a sample of the quantities billed for each of the construction contracts selected;
- ❖ Utilization and monitoring of the CEI Consultants assigned to construction contracts;
- ❖ Discussion and limited testing of changes to project schedules;
- ❖ Review of reporting submitted to management on a regular basis; and
- ❖ Detailed testing of the ODMP programs implemented for the construction contracts selected.

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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Safety and Maintenance Policies and Procedures
Compliance Audit

February 6, 2017

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7 Detailed Observations

EXECUTIVE SUMMARY



Overview

The Central Florida Expressway Authority (CFX) is responsible for the maintenance and safety of 118 centerline miles (including the new Wekiva Parkway), 815 lane miles (including ramps), 69 interchanges, 335 bridges, and 14 mainline toll plazas. In addition to the daily maintenance and safety activities, CFX developed a Wrong-Way Driving Detection Program in partnership with the University of Central Florida. Currently, there are 35 exit-ramp locations out of approximately 120 system-wide locations that are equipped with Wrong-Way Driving countermeasures developed under this program.

In accordance with the 2018 Internal Audit Plan, Internal Audit reviewed the maintenance and inspection procedures around CFX's roadways and bridges for compliance with standards set by the Federal government and the Florida Department of Transportation as highlighted within this report, and the internally developed maintenance and inspection policies and procedures established by CFX staff.



Objectives, Scope, and Approach

The objectives of the audit were to 1) evaluate CFX's compliance with the safety and maintenance policies and procedures, including compliance with federal and state standards; 2) review recent technological enhancements to safety within the system, with emphasis on new technology measures to help reduce the risk of wrong-way driving, and 3) evaluate the vendor performance management process for safety and maintenance vendors.

Roadways and Bridges

Components of CFX's roadways and bridges that were in scope for this audit were:

Roadways

- Roadways/Pavement
- Roadside
- Traffic Services
 - Lighting
 - Guardrails
 - Barrier walls

Bridges

- Substructure
- Superstructure
- Deck

EXECUTIVE SUMMARY



Objectives, Scope, and Approach (continued)

To execute this audit, Internal Audit performed the following procedures around the areas in scope:

1. Evaluated CFX's compliance with internally developed maintenance and inspection standards;
2. Evaluated CFX's compliance with the following federal and FDOT maintenance and inspection standards:
 1. Federal Statutes, Title 23. Highways, Section 106(c). Assumption by States of Responsibilities of the Secretary,
 2. Federal Highway Administration 23 Code of Federal Regulations (CFR) Part 650, Subpart C, Section 650.307 Bridge Inspection Organization,
 3. Federal Statutes, Title 23. Highways, Section 116. Maintenance,
 4. Florida Statutes, Title 26. Public Transportation, Chapter 334.048,
 5. Florida Statutes, Title 26. Public Transportation, Chapter 335.074 Safety Inspection of Bridges,
 6. FDOT Safety Bridge Inspection Team Leader Requirements in Florida,
 7. FDOT Bridges and Other Structures Inspection and Reporting Procedures (Topic No.: 850-010-030-i), and
 8. FDOT Maintenance Rating Program Procedures (Topic No.: 850-065-002-j);
3. Evaluated key controls surrounding asset tracking, inspection schedules and reporting, repairs and replacements, and incident response management;
4. Verified inspections, repairs, and replacements were performed and reported within applicable deadlines; and
5. Reviewed CFX's vendor management process. Safety and Maintenance vendors include the following:

Vendor	Service
Ayres and Associates	Overhead Sign Inspection Services
Kisinger Campo and Associates	Bridge Inspection Services
Jorgensen Contract Services, LLC ("JCS")	Roadway and Bridge Maintenance Services; S.R. 408, S.R. 417, S.R. 528, and Goldenrod Road Extension
Infrastructure Corporation of America ("ICA")	Roadway and Bridge Maintenance Services; S.R. 429, S.R. 414, and S.R. 451
Traffic Engineering and Management dba/ Control Specialists	Traffic Signal Maintenance Services

EXECUTIVE SUMMARY



Objectives, Scope, and Approach (continued)

Wrong-Way Driving Detection

To review CFX's safety technological enhancements to reduce the risk of wrong-way driving, Internal Audit:

1. Evaluated CFX's compliance with the program's preventative maintenance plan, and
2. Evaluated management's procedures for responding to safety trends identified by third-party reports.

Determining the adequacy of the maintenance procedures being performed by CFX to help ensure customer safety was NOT in scope for this audit.

EXECUTIVE SUMMARY



Summary of Results

Internal Audit identified risks and tested key controls within the roadway, bridge, and wrong-way driving detection maintenance and inspection processes. Where applicable, a sample of detailed maintenance and inspection activity was reviewed and tested for compliance. As a result of these procedures performed, Internal Audit identified five opportunities that would strengthen the control environment around the maintenance and safety program. Each observation and related recommendation is designed to help CFX transform its maintenance and safety management processes to a higher level of maturity, often from ad-hoc state to a more defined, managed, or optimized state.

Area	Procedures Performed	Observations	Observation Reference
Maintenance & Inspection Standards	<ul style="list-style-type: none"> Evaluated CFX's compliance with federal and state inspection and maintenance regulations, Reviewed CFX maintenance and inspection contracts for inclusion of pertinent regulatory requirements, and Evaluated CFX's internally developed standards for compliance with regulatory requirements. 	1	2
Asset & Activity Monitoring	<ul style="list-style-type: none"> Evaluated CFX's asset tracking process, monitoring of inspections and maintenance activities, and record retention 	1	5
Maintenance & Inspection Contract Management	<ul style="list-style-type: none"> Evaluated CFX's quality review of contractor performance and prioritization of maintenance activities. 	3	1,3,4
Wrong-Way Driving Detection System	<ul style="list-style-type: none"> Evaluated CFX's compliance with the program's preventative maintenance plan, and Evaluated management's procedures for responding to safety trends identified by third-party reports. 	0	NA

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Quality Assurance Procedures

Relative Priority: *Moderate*



When a maintenance work order is completed, the contractor notifies the CFX Senior Roadway Inspector of completion by phone or e-mail and may attach photos as evidence that the work was performed. If the work order relates to a significant safety concern or a large project, the Senior Roadway Inspector may physically observe or confirm that the work was completed. However, CFX does not have a formal quality assurance review process to verify the work was completed and to confirm it was completed at a satisfactory level.

Recommendation

CFX should consider implementing a quality assurance review process to formalize review of work performed by maintenance contractors. As part of this quality assurance process, CFX should inspect a sample of completed FDOT and internal work orders to verify the maintenance work performed meets the expected standards set by CFX and the FDOT. Implementing a quality assurance review process will enhance CFX's vendor performance management and move the review process to a more managed, optimized state.

Management Response

Management concurs.

Management Action Plan

The Director of Maintenance has included a Quality Assurance Program contractor within the fiscal 2019 budget request. The contractor would conduct quality assurance reviews of work performed by maintenance contractors, review Right of Entry permits, conduct daytime and nighttime inspections, oversee major repairs, and conduct field verification for compliance with utility permits in order to enhance the Maintenance and Safety Quality Assurance process.

Action Plan Owner / Due Date

Donald Budnovich, Director of Maintenance / 12/31/2018

DETAILED OBSERVATIONS

Observation 2 – Lack of Internal Maintenance & Safety Policies and Procedures

Relative Priority: *Moderate*



Written policies and procedures do not exist for CFX's maintenance and inspection program. Written policies and procedures are an integral component of each business process within an operating environment. The objective of policies and procedures is to document an organization's policy for operations and the procedures necessary to fulfill that policy. Policies and procedures provide guidance in the pursuit of achieving the objectives of the process and help reduce misunderstanding and increase distribution of pertinent information to those involved in the process.

Recommendation

CFX should develop written policies and procedures that clearly document CFX's maintenance and inspection program, including:

- Internal standards for managing and maintaining CFX's roadways and bridges;
- Asset tracking;
- Role of third party maintenance and inspection agreements (scheduling of inspections, repairs, and replacements; outputs of preventative maintenance);
- Maintenance contract performance monitoring;
- Work order, maintenance request, and deficiency response deadlines;
- Incident and Emergency Response process;
- Maintenance Rating Program (MRP) process and requirements;
- GEC Annual Inspection process.

Once developed, CFX should review and update the maintenance and safety policies and procedures for changes in processes, FDOT or Federal requirements, and any internally modified standards on an annual basis. The Director of Maintenance should approve the written policies and procedures and provide evidence of the review. The final document should also be stored on a shared site to ensure the policies and procedures are available and accessible throughout the department.

DETAILED OBSERVATIONS

Observation 2 – Lack of Internal Maintenance & Safety Policies and Procedures (Continued)

Relative Priority: *Moderate*



Management Response

Management concurs.

Management Action Plan

The Director of Maintenance will document written policies and procedures for CFX's maintenance and inspection program in the Maintenance and Safety Procedures Manual. The Manual will be published on SharePoint and reviewed and updated at least annually.

Action Plan Owner / Due Date

Donald Budnovich, Director of Maintenance / 12/31/2018

DETAILED OBSERVATIONS

Observation 3 – MRP Deduction Calculation Review – Document Retention

Relative Priority: *Moderate*



The Maintenance Rating Program (MRP) is a uniform evaluation system for maintenance features on the State Highway System. It is defined as a method of conducting a visual and mechanical evaluation of routine highway maintenance conditions. The inspection process occurs three times annually and CFX is awarded Maintenance Rating Program (MRP) scores for several categories. The maintenance contracts with its vendors, JCS and ICA, include an annual MRP score requirement as outlined in Section 5.8 "Evaluation and Acceptance of Work" of the Scope of Services with each vendor. A vendor payment deduction is assessed if the MRP score is not met by the vendor.

During the fiscal year 2017, JCS and ICA did not meet MRP Score requirements for certain criteria. As such, the Senior Roadway Inspector appropriately calculated the recommended payment deductions based on details outlined in the contracts and presented them to the CFX Director of Maintenance for review. However, documentation of the payment deduction review and approval by the Director of Maintenance could not be provided for the ICA contract.

Recommendation

CFX should formalize the MRP deduction review and approval process to ensure evidence of the review is retained and the deduction is appropriately applied to the subsequent vendor payment.

Management Response

Management concurs.

Management Action Plan

The Director of Maintenance will incorporate a procedure to document MRP deduction recommendations and actual deductions applied into the Maintenance and Safety Procedures Manual.

Action Plan Owner / Due Date

Donald Budnovich, Director of Maintenance / 9/30/2018

DETAILED OBSERVATIONS

Observation 4 – Delinquent Work Order Review

Relative Priority: *Moderate*



Contracts with CFX maintenance vendors include a provision that the contractor will be assessed a \$200 per day penalty for delinquent work orders not completed within the deadlines outlined in the contracts. Although Internal Audit gained comfort that CFX is performing a review of delinquent work orders to identify potential vendor penalties, the review process is not formalized and is performed on an as-needed, ad-hoc basis. As a result, there is increased risk that reviews on an ad-hoc basis may not include complete sets of final work orders, and vendor payment deductions may be missed.

Recommendation

CFX should formalize the frequency of the delinquent work order review to improve the review process from an ad-hoc to a more defined, managed state. At each quarter end, CFX should perform a review of all work orders completed during the quarter to determine if a penalty needs to be assessed. The Director of Maintenance should maintain evidence of his review of the analysis, and the recommended deductions should be provided to the Accounting and Finance department to be applied against subsequent vendor payments, as necessary.

Management Response

Management concurs.

Management Action Plan

The Director of Maintenance will incorporate a procedure into the Maintenance and Safety Procedures Manual for the Senior Roadway Inspector to review all completed work orders at quarter-end and provide recommendations of any penalties to the Director of Maintenance for review and sign-off. The review is anticipated to be completed by 30 days after each quarter-end.

Action Plan Owner / Due Date

Donald Budnovich, Director of Maintenance / 9/30/2018

DETAILED OBSERVATIONS

Observation 5 – Asset Tracking

Relative Priority: **Low**



CFX utilizes Microsoft Excel spreadsheets to track structures, assets, and bridge inspection dates. The Florida Department of Transportation (FDOT) tracks assets and inspection reporting within the FDOT Bridge Management (BrM) system. Currently, CFX does not have a process in place to reconcile the structures and assets included within the FDOT BrM system to the internally maintained asset tracking spreadsheets. Upon performing this reconciliation, Internal Audit identified nine CFX High Mast Structures in the FDOT BrM system that were not included in the CFX asset tracking files. Maintaining incomplete asset listings could hinder CFX from appropriately monitoring inspection due dates.

Recommendation

CFX should perform an annual reconciliation between the FDOT BRM system and its internal asset tracking files to verify its internal asset files are complete and to enhance the inspection report management process.

Further, CFX should consider leveraging an information management tool, such as a Microsoft Access Database, to store and maintain asset information for reference, reporting, and analysis. Such a tool would better enable CFX to manage required inspections, retain inspection data, and generate valuable reports for monitoring purposes.

Management Response

Management concurs with the recommendation to verify internal asset files are complete. For the specific issue identified during the audit, management determined that the High Mast Structures not included in the CFX asset tracking files are currently being removed, but will not be deleted from the FDOT BrM system until completely decommissioned.

Management Action Plan

CFX will develop an annual process to verify asset accuracy and update the asset tracking spreadsheet for ongoing construction projects. The process will be recorded in the Maintenance and Safety Procedures Manual.

In addition, CFX will determine the best information management tool or options to store and maintain asset information.

Action Plan Owner / Due Date

Donald Budnovich, Director of Maintenance / 6/30/2019

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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

TRAILS Program Review

February 2, 2018

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EXECUTIVE SUMMARY



Overview

In May 2016, the Central Florida Expressway Authority (“CFX”) opened the Reload Lane program and created the first and only toll road drive-up customer service lanes in the continental United States. CFX customers using the Reload Lane service are able to establish an electronic toll-collection account (“E-PASS”) or replenish an existing E-PASS account from the convenience of their car using cash, checks, debit or credit cards. Reload Lane customer service representatives are also able to provide cash paying drivers with an opportunity to purchase a portable transponder or receive a free E-PASS toll sticker. As of the time of audit, there were three toll plazas in operation with the Reload Lane program: SR 408 Conway Toll Plaza, SR 429 Forest Lake Toll Plaza, and SR 417 John Young Parkway Toll Plaza. During FY 2017, the Reload Lane program facilitated approximately 43,000 transactions totaling \$1.4 million. The Appendix of this report contains further information.

The Transponder Reload And In Lane Sales (“TRAILS”) software is utilized to execute transactions in the Reload Lanes, TRAILS is an internally developed graphical user interface that interfaces with the Toll Revenue Information Management System (“TRIMS”) database, which supports customer service operations, including the maintenance of customer account information and processing of payments. CFX designed TRAILS to expedite transactions and minimize customer wait times in the Reload Lanes.

In accordance with the FY 2018 Internal Audit Plan, Internal Audit conducted a review of the Reload Lane Program to evaluate the processes, procedures, and operating and information technology (IT) controls surrounding the program.



Objectives, Scope, and Approach

The objectives of this review were to (1) evaluate the risks and design effectiveness of key controls surrounding transactions executed in the Reload Lanes, including IT controls related to the TRAILS software, and (2) provide control enhancement recommendations, if needed.

To execute this review, Internal Audit performed the following procedures:

- Performed a comprehensive analysis of the risk and controls surrounding the Reload Lanes activities.
- Evaluated the design effectiveness of key controls within the areas below by performing walkthrough procedures:
 - Customer Account Creation/Adjustments
 - Cash Collections
 - Physical security/Access Rights
 - Transponder Inventory Management
 - Incident Response Management
 - Monitoring/Training
- Evaluated IT general controls surrounding the TRAILS software.
 - Leveraging the FY 2018 Procurement Card Industry compliance and Department of Highway Safety and Motor Vehicles audit results, when applicable.

EXECUTIVE SUMMARY



Summary of Results

Overall, the Reload Lanes are operating as intended and with much success. As part of this review of the Reload Lane operations and the supporting TRAILS software, two opportunities were identified to further strengthen the overall control and operations of the Reload Lane program. The table below provides an overview of the findings.

Area	Observation	Observation #
Customer Account Creation/Adjustments	N/A	N/A
Cash Collections	Starting Cash and Transponder Management	2
Physical security/Access Rights	N/A	N/A
Transponder Inventory Management	Starting Cash and Transponder Management	2
Incident Response Management	N/A	N/A
Monitoring/Training	N/A	N/A
TRAILS IT General Controls	Accuracy of Customer Account Data	1

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Accuracy of Customer Account Data

Relative Priority: **Moderate**



Observation

Intermittently, incorrect customer account data will display on the TRAILS application within the Reload Lanes. At the time of audit, the root cause of the intermittent incorrect account data was unknown to CFX and unable to be identified by Internal Audit within the scope and budget of the audit. Internal Audit hypothesizes that the cause may pertain to the capture of customer account data from a vehicle in an adjacent lane or the vehicle that most recently passed through the lane.

Risk

Customer account changes or unapproved payments could be applied to the incorrect customer account.

Recommendation

CFX management should investigate the root cause of the issue outlined herein, and determine if it can be remediated by making a configuration change to the system or applying an update to the TRAILS application. Once the root cause is identified, CFX should apply the necessary patch or fix to reduce the risk of inaccurate customer account information being presented to the Reload Lane customer service representatives, known as Toll Tag Service Attendants (TTSAs).

Management Response

CFX IT personnel is aware of the issue and is working with Transcore to develop and deploy a fix via a patch to TRAILS. In the interim, CFX has increased the Reload Lane customer service representatives training around verifying customer account information and manually retrieving customer account data.

Management Action Plan

Management will continue to work with Transcore to develop and deploy a patch to remediate this issue.

Action Plan Owner / Due Date

Corey Quinn, Chief of Technology and Operations; Jim Greer, Director of IT / June 30, 2018

DETAILED OBSERVATIONS

Observation 2 – Starting Cash and Transponder Management

Relative Priority: **Moderate**



Observation

Reload Lane Toll Tag Service Attendants (TTSA) are issued five active transponders, five E-PASS stickers, and two cash drawers, totaling \$1,100, at the beginning of a shift. The number of transponders and E-PASS stickers issued are recorded on a Daily Transponder Log, and the starting cash is recorded on a Tour Fund Receipt. Each Log is signed by the Toll Service Supervisor (TSS) and the Toll Tag Service Attendant acknowledging the starting balances.

At the end of the shift, the TSS counts the transponders returned and the ending cash balance and reconciles each to the TTSA's sales report. The TTSA and the TSS sign off on the report as evidence of reconciliation and review.

During the walkthrough of the TTSA check-in and close-out processes, Internal Audit identified a departure from the policy requiring dual signatures on the Daily Transponder Log and Tour Fund Receipt. The TSS checked out transponders and cash drawers, worked the shift at the Reload Lane, and completed the reconciliation at the close of the shift without a second review as required by policy.

Risk

Secondary review and verification of beginning cash and transponder inventory and final reconciliation of ending balances to the system activity is a leading cash handling practice. Failure to apply this practice accurately and consistently increases the risk of cash or transponder inventory theft that goes undetected.

In addition, having a supervisor function as a TTSA and work a shift limits their ability to perform monitoring, customer service, and administrative responsibilities.

Recommendation

CFX should reinforce the policy of requiring dual signatures on starting cash and transponder inventory and close-out reconciliations by enhancing the TSS training. CFX should also implement contingency staffing procedures to ensure there is adequate supervision during each shift.

DETAILED OBSERVATIONS

Observation 2 – Starting Cash and Transponder Management (Continued)

Relative Priority: **Moderate**



Management Response

Management concurs.

Management Action Plan

CFX will enhance the training of the Toll Service Supervisor to reinforce the dual signature policy. The Toll Service Supervisor and the Toll Tag Service Attendant will verify the starting cash and transponder inventory, reconcile ending cash and transponder inventory to the system generated sales report at the end of the shift, and sign the Daily Transponder Log, Change Fund and Receipt Log, and Sales Report as evidence.

CFX will also review the contingency staffing procedures to determine the appropriate modifications required to ensure adequate supervision during each shift. In the rare event that another party is unavailable to provide a dual signature (e.g. emergency situation), the employee will be required to provide a fully documented written statement of why the logs could not be signed by a second party.

Action Plan Owner / Due Date

David Wynne, Director of Toll Operations / February 28, 2018

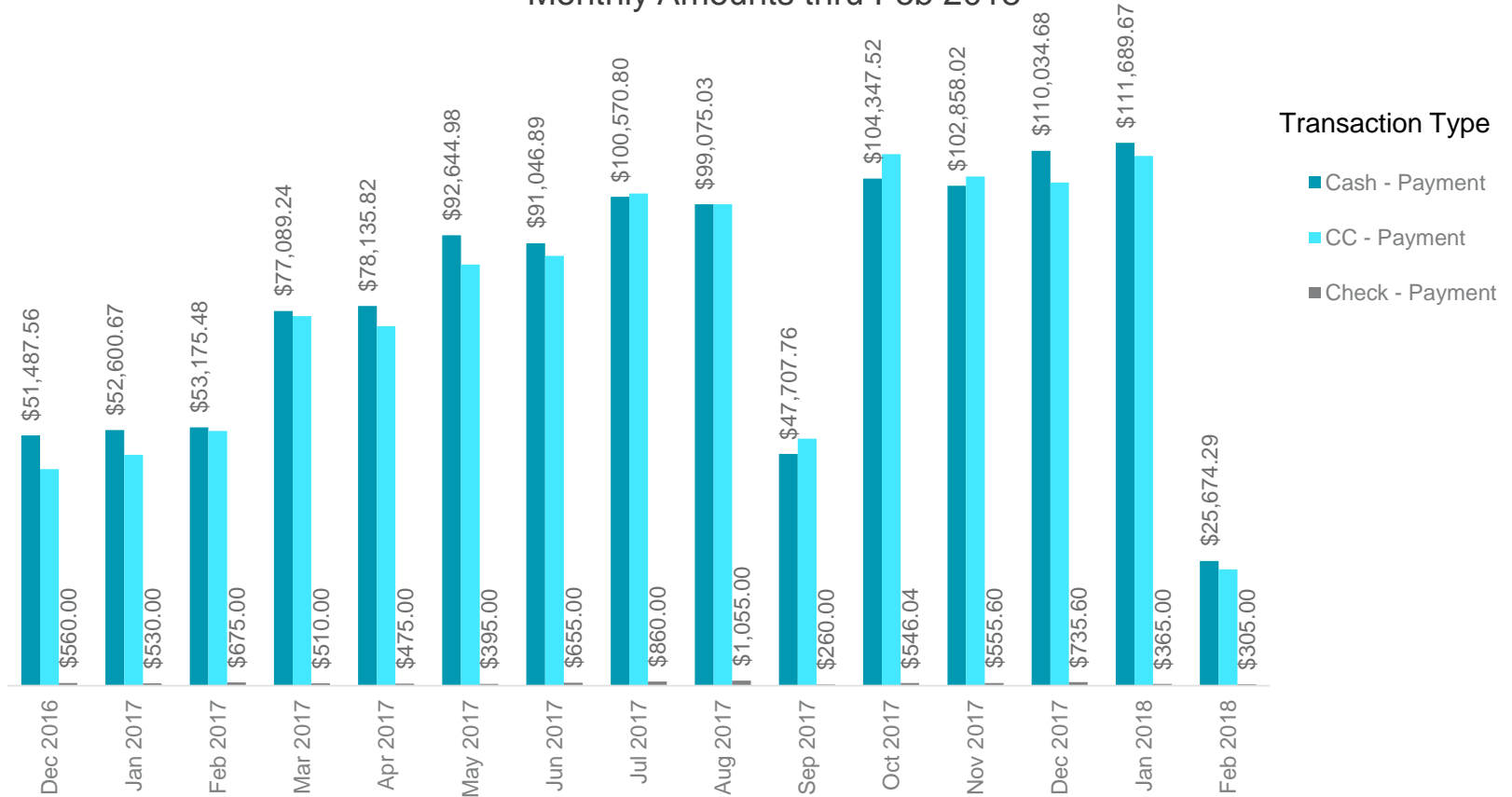
APPENDIX - E-PASS RELOAD SUMMARY DATA

APPENDIX – E-PASS RELOAD SUMMARY DATA

(AS PROVIDED BY CFX STAFF)

DRAFT

Monthly Amounts thru Feb 2018



*Reload lanes shut down from (9/5 @ 5:00pm thru 9/20

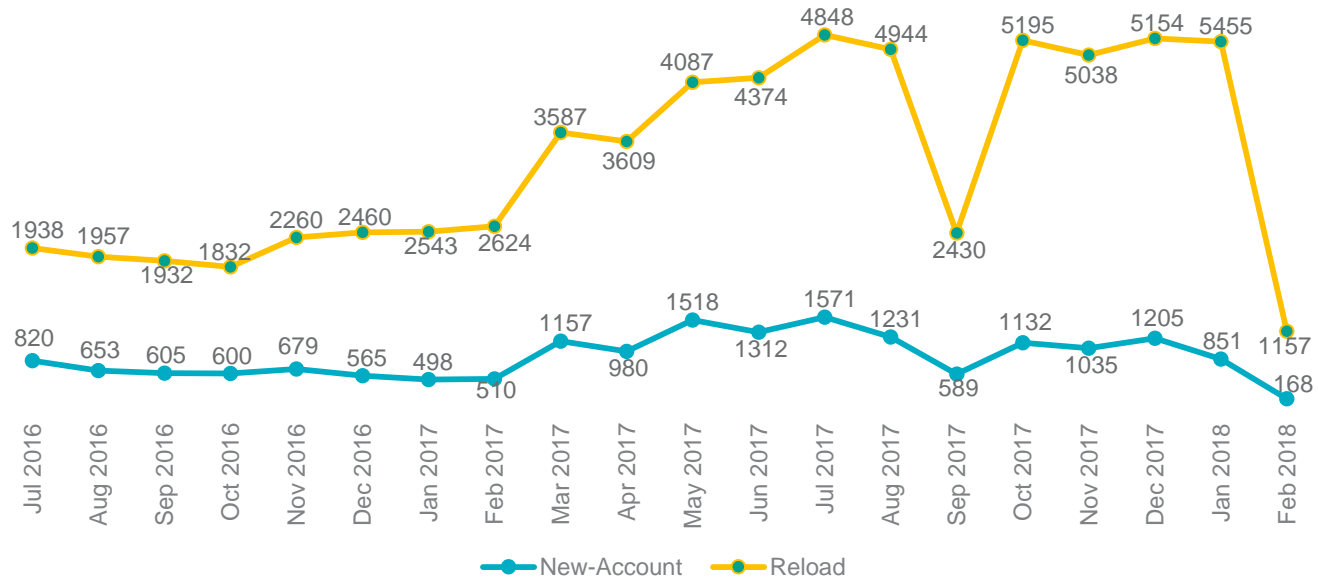
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APPENDIX – E-PASS RELOAD SUMMARY DATA

(AS PROVIDED BY CFX STAFF)

DRAFT

E-Pass Sales & Reload Use thru Feb 2018



*Reload lanes shut down from (9/5 @ 5:00pm thru 9/20

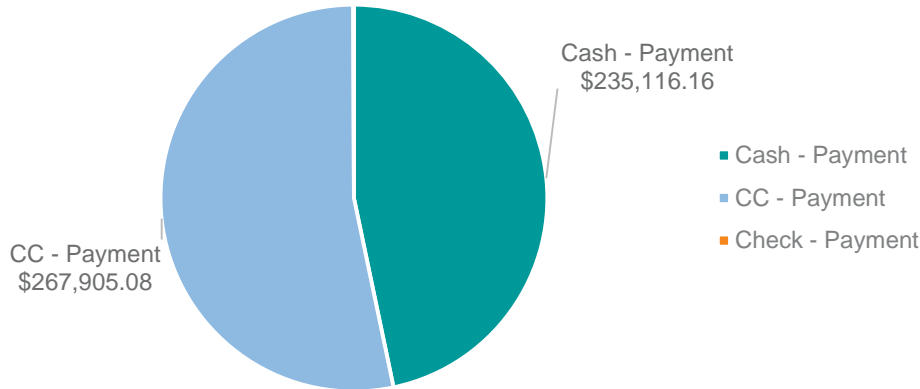
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APPENDIX – E-PASS RELOAD SUMMARY DATA

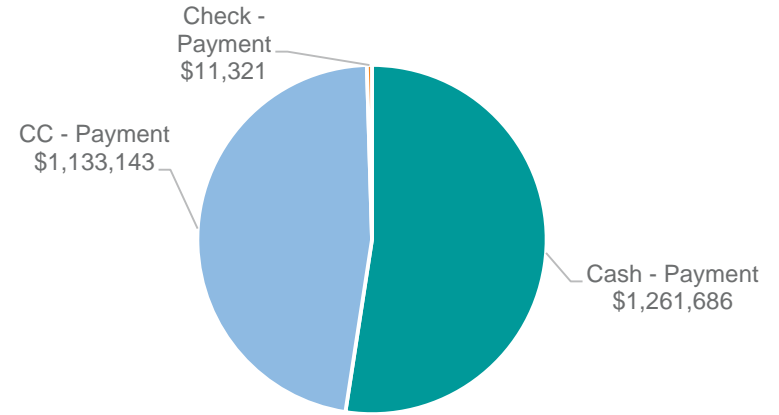
(AS PROVIDED BY CFX STAFF)

DRAFT

New Customers Payment for Activation



Current Customers Payments to Reload Account



Date Range: 5/6/2016 – 2/7/2018

*Reload lanes shut down from (9/5 @ 5:00pm thru 9/20

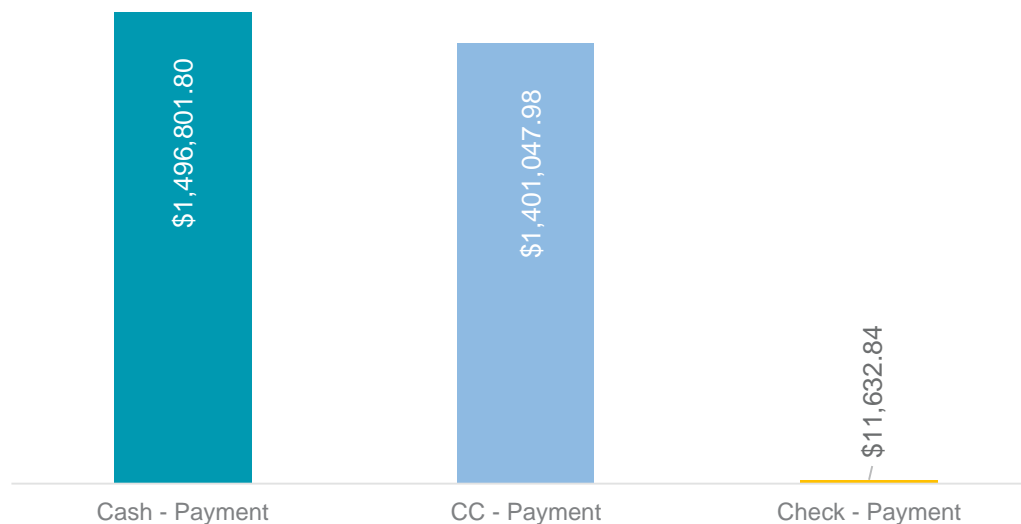
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APPENDIX – E-PASS RELOAD SUMMARY DATA

(AS PROVIDED BY CFX STAFF)

DRAFT

Total Amount thru Feb 2018



Date Range: 5/6/2016 – 2/7/2018

*Reload lanes shut down from (9/5 @ 5:00pm thru 9/20

Disclaimer: The information on this report is intended for informational purposes only. While every effort is made to maintain accurate information, the data are unaudited.

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DHSMV Data Security Assessment

Central Florida Expressway Authority

December 2017

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FY2018 DHSMV Data Security Assessment

Executive Summary

Overview

During the period of December 1, 2017 to December 22, 2018, Internal Audit performed a Data Security Assessment of the Department of Highway Safety and Motor Vehicles (“DHSMV”) data within the Central Florida Expressway Authority (“CFX”) environment. The objectives of the assessment were to review internal controls for gaps in design related to the requirements set forth in *Section V – Safeguarding Information*, of the DHSMV Drivers License or Motor Vehicle Record Data Exchange Memorandum of Understanding (“MOU”).

The summarized objectives of Section V are:

- Information exchanged will not be used for any purposes not specifically authorized by the MOU. Unauthorized use includes, but is not limited to, queries not related to a legitimate business purposes, personal use, and the dissemination, sharing, copying or passing of this information to unauthorized persons.
- Information exchanged by electronic means will be stored in a place physically secure from access by unauthorized persons.
- Access to the information will be protected in such a way that unauthorized persons cannot review or retrieve the information.
- All personnel with access to the information exchanged under the terms of the MOU will be instructed of, and acknowledge their understanding of, the confidential nature of the information. These acknowledgements must be maintained in a current status by the Requesting Party (CFX).
- All personnel with access to the information will be instructed of, and acknowledge their understanding of, the criminal sanctions specified in state law for unauthorized use of the data. These acknowledgements must be maintained in a current status by the Requesting Party (CFX).
- All access to the information must be monitored on an on-going basis by the Requesting Party (CFX). In addition, the Requesting Party (CFX) must complete an annual audit to ensure proper and authorized use and dissemination.

FY2018 DHSMV Data Security Assessment

Scope and Approach

Internal Audit conducted an assessment of the process used for safeguarding DHSMV data in the CFX environment. In order to complete this review, the following procedures were performed:

- Reviewed policies and procedures related to the safeguarding of electronic and physical data transfers, data storage, and data access.
- Conducted interviews with key personnel to understand the *Drivers License or Motor Vehicle Record Data Exchange* process.
- CFX Management approved the scope of work and believed it to be sufficient to meet the requirements of the MOU. Conducted testing of controls related to the following areas:
 - Policies and Procedures
 - Application Access
 - Segregation of Duties
 - Change Control
 - Data Storage
 - Data Transfer
 - Network Firewall
 - Network Architecture
 - Active Directory
 - Physical Security
- After testing was completed, analysis was performed to compare the results of testing to the control objectives outlined in the MOU.

FY2018 DHSMV Data Security Assessment

Summary of Results

As a result of this review, Internal Audit identified zero (0) observations that should be addressed in order to enhance CFX's Drivers License or Motor Vehicle Data Exchange process.

FY2018 DHSMV Data Security Assessment

Appendix A – Controls Tested

	Control Objective	Control Description	Testing Results
1	Information exchanged will not be used for any purposes not specifically authorized by this agreement. Unauthorized use includes, but is not limited to, queries not related to a legitimate business purpose, personal use, and the dissemination, sharing, copying or passing of this information to unauthorized persons.	Policies and Procedures: CFX implements company-wide policies and procedures that enforce the safeguarding of company data and other sensitive customer data whether or not it is currently being used or accessed.	Control Effective
2	All personnel with access to the information exchanged under the terms of the Drivers License or Motor Vehicle Record Data Exchange MOU will be instructed of, and acknowledge their understanding of, the confidential nature of the information. These acknowledgements must be maintained in a current status by the requesting party.	Training: CFX requires in the hiring process that all users sign an acknowledgement after reviewing either the employee or contractor security guidelines handbook which covers the safeguarding of data. These acknowledgments must be maintained for all current/active users.	Control Effective
3	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	TRIMS Access: System access to the TRIMS applications for new users is appropriately administered through the submission of a New User Authorization Form. This form is completed by the new user's Manager and the proper approvals/signatures are obtained. Access to the applications is then administered by IT support.	Control Effective
4	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	TRIMS Access - Terminated Users: System access to the TRIMS application and company network is appropriately revoked in a timely fashion for terminated users. Upon receipt of a termination notification (email, authorization form, phone call, etc.) from HR or a Manager responsible for the terminated user, the user's system account is disabled immediately.	Control Effective

FY2018 DHSMV Data Security Assessment

	Control Objective	Control Description	Testing Results
5	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Database-level Access: Database-level access is restricted to the appropriate individuals through the use of unique accounts.	Control Effective
6	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Server-level Access: Server-level access is restricted to the appropriate individuals through the use of unique accounts.	Control Effective
7	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	FTP Gateway Access: All individuals / user accounts with access to the FTP Gateway are authorized and appropriate.	Control Effective
8	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Host (HT250) Access: All individuals / user accounts with access to the Host (HT250) are authorized and appropriate.	Control Effective
9	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Oracle DB Access: All individuals / user accounts with access to the Oracle DB are authorized and appropriate.	Control Effective
10	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	DOCPRD1 and DOCPRD2 Access: All individuals / user accounts with access to the DOCPRD1 and DOCPRD2 servers are authorized and appropriate.	Control Effective
11	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Infoview Crystal Reports (RTPRD4) Server Access: All individuals / user accounts with access to the Infoview Crystal Reports (RTPRD4) server are authorized and appropriate.	Control Effective

FY2018 DHSMV Data Security Assessment

	Control Objective	Control Description	Testing Results
12	Information exchanged will not be used for any purposes not specifically authorized by this agreement. Unauthorized use includes, but is not limited to, queries not related to a legitimate business purpose, personal use, and the dissemination, sharing, copying or passing of this information to unauthorized persons.	DHSMV Data Access: Management performs a periodic review of user access across each of the in-scope entities to ensure that the assigned access level is commensurate with his/her job function.	Control Effective
13	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Change Control / Patch Management: Dedicated test environments exist for the testing of changes and patches, where practical. CFX appropriately documents and tests each change.	Control Effective
14	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Change Control / Patch Management: All changes and patches are authorized, executed, and documented according to stated procedures.	Control Effective
15	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Data Encryption: Driver's license number as it is obtained from the DHSMV is encrypted when stored in the Oracle database.	Control Effective
16	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Network - Firewall: CFX has an operational firewall in place to restrict access to the internal network.	Control Effective
17	Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information.	Network - Active Directory: All individuals with Active Directory credentials are current, active users and all rights granted through Active Directory are commensurate with their current job responsibilities.	Control Effective

FY2018 DHSMV Data Security Assessment

	Control Objective	Control Description	Testing Results
18	Information exchanged by electronic means will be stored in a place physically secure from access by unauthorized persons.	Physical Security - Data Center: Access to the data center(s) is restricted to appropriate personnel and is provided through the use of a physical key or key card.	Control Effective
19	Information exchanged by electronic means will be stored in a place physically secure from access by unauthorized persons.	Physical Security - Work Areas: Access to the work areas is restricted to appropriate personnel and is provided through the use of a physical key or key card.	Control Effective
20	All access to the information must be monitored on an on-going basis by the Requesting Party. In addition the Requesting Party must complete an annual audit to ensure proper and authorized use and dissemination.	Logging & Monitoring: Logging and auditing functions are enabled on all in-scope entities. In addition, all system logs are monitored for unauthorized access and irregular activity.	Control Effective
21	All access to the information must be monitored on an on-going basis by the Requesting Party. In addition the Requesting Party must complete an annual audit to ensure proper and authorized use and dissemination.	Vulnerability Scanning / Penetration Testing: CFX performs periodic external vulnerability scans and penetration tests.	Control Effective



Face the Future with Confidence

Central Florida Expressway Authority

Payment Card Industry (PCI) Assessment

Summary Meeting

December 2017

protiviti®
Face the Future with Confidence

PCI Data Security Standard

The assessment focused on over 400 controls within the following twelve domains of the PCI Data Security Standard

<i>Build and Maintain a Secure Network</i>	<ol style="list-style-type: none">1. Install and maintain a firewall configuration to protect cardholder data2. Do not use vendor-supplied defaults for system passwords and other security parameters
<i>Protect Cardholder Data</i>	<ol style="list-style-type: none">3. Protect stored cardholder data4. Encrypt transmission of cardholder data across open, public networks
<i>Maintain a Vulnerability Management Program</i>	<ol style="list-style-type: none">5. Use and regularly update anti-virus software or programs6. Develop and maintain secure systems and applications
<i>Implement Strong Access Control Measures</i>	<ol style="list-style-type: none">7. Restrict access to cardholder data by business need to know8. Assign a unique ID to each person with computer access9. Restrict physical access to cardholder data
<i>Regularly Monitor and Test Networks</i>	<ol style="list-style-type: none">10. Track and monitor all access to network resources and cardholder data11. Regularly test security systems and processes
<i>Maintain an Information Security Policy</i>	<ol style="list-style-type: none">12. Maintain a policy that addresses information security for all personnel

Summary of the Assessment

- Protiviti team performed onsite and remote fieldwork between February 13, 2017 through October 26, 2017.
- Two 90-day extensions were granted to CFX by BAMS due to turnover in the IT department. Two principal employees who led the PCI efforts at CFX left the company during the PCI fieldwork.
- Fieldwork was conducted through a variety of methods including documentation review, interviews, technical analysis, and physical investigation.
- All CFX individuals involved were extremely helpful and well attuned to the importance of the assessment.





Face the Future with Confidence

Confidentiality Statement and Restriction for Use

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Audit Committee Charter

Permanent Rule: 9-1

Department: Board and Committees

**Supersedes: Audit Committee Charters from
10/27/10, 1/23/13, 9/11/14, 10/8/15 and 4/14/2016**

Date of Board Approval: 7/13/2017

**A RESOLUTION OF THE
CENTRAL FLORIDA EXPRESSWAY AUTHORITY
AMENDING ITS
AUDIT COMMITTEE CHARTER
TO ADD AN APPOINTEE FROM THE BREVARD
COUNTY COMMISSION**

WHEREAS, the Central Florida Expressway Authority (CFX) is Central Florida's regional expressway authority duly authorized by state law to maintain and operate an expressway system in Lake, Orange, Osceola, Seminole and Brevard counties; and

WHEREAS, CFX previously adopted a policy creating the Audit Committee and its Charter; and

WHEREAS, in the 2017 legislative session the Florida Legislature adopted Senate Bill 720 which expanded the CFX governing Board to include an appointee from the Brevard County Commission; and

WHEREAS, the governing Board wishes to amend its previously adopted Audit Committee Charter to be consistent with the state legislation.

NOW THEREFORE, BE IT RESOLVED BY THE CENTRAL FLORIDA EXPRESSWAY AUTHORITY, the following amendments are hereby adopted by the governing Board:

Section 1. The Audit Committee shall be composed of the following voting members:

1. Orange County staff member or citizen representative appointed by the Orange County Commission or in accordance with Orange County's policies providing for appointments to other governmental agencies;
2. City of Orlando staff member or citizen representative appointed by the City of Orlando Commission or in accordance with the City of Orlando's policies providing for appointments to other governmental agencies;
3. Lake County staff member or citizen representative appointed by Lake County Commission or in accordance with Lake County's policies providing for appointments to other governmental agencies;
4. Osceola County staff member or citizen representative appointed by the Osceola County Commission or in accordance with Osceola County's policies providing for appointments to other governmental agencies;
5. Seminole County staff member or citizen representative appointed by the Seminole County Commission or in accordance with Seminole County's policies providing for appointments to other governmental agencies.

6. Brevard County staff member or citizen representative appointed by the Brevard County Commission or in accordance with Brevard County's policies providing for appointments to other governmental agencies.
7. Up to three (3) citizen representatives appointed by the CFX governing Board after receiving nominations submitted by the gubernatorial Board appointees. The term for such appointments shall be for two years commencing upon appointment which term may be renewed.

One nomination per gubernatorial appointee is allowed, but it shall not be mandatory that nominations be made. Committee member appointments may not be delegated. The Committee members will serve at the pleasure of their respective jurisdictions. County and City appointments may include contract personnel currently providing services to the appointing entity. Notwithstanding the two year term, the citizen representatives shall serve at the pleasure of the CFX Board. Committee members should have financial expertise in general accounting principles and experience reviewing financial statements and audit reports.

Section 2. Chairman selection. The Audit Committee will be chaired on an annual, rotating basis beginning September 1, 2017, in the following order (current 2016-17 term remains in effect):

Current	Seminole County Representative
2017-2018	Osceola County Representative
2018-2019	One of Citizen Representatives
2019-2020	Lake County Representative
2020-2021	City of Orlando Representative
2021-2022	Brevard County Representative
2022-2023	Orange County Representative

The Audit Committee Chair shall serve as the Board Liaison and attend CFX Board meetings.

Section 3. Quorum. If all three gubernatorial Board members make nominations and the Board approves the appointments, the Committee shall consist of nine members and a quorum shall be five members present. If only two appointments are made the Committee shall consist of eight members and a quorum shall be five members present. If only one appointment is made the Committee shall consist of seven members and a quorum shall be four members present. In order for any action or recommendation to pass there must be a majority affirmative vote of the quorum based on the then current composition of the Committee.

Section 4. The revised Charter is adopted in its entirety as Exhibit "A."

Section 5. This Resolution shall become effective upon adoption.

ADOPTED this 13th day of July 2017.


Buddy Dyer
CFX Board Chairman

ATTEST: 
Darleen Mazzillo
Executive Assistant

Approved as to form and legality:



Joseph L. Passiatore
General Counsel

EXHIBIT "A"
CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD
AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee's primary function is to assist the Authority Board in fulfilling its oversight responsibilities by reviewing the financial information, systems of internal control which Management has established, the audit process, the process for monitoring compliance with laws and regulations and the Code of Ethics. In doing so, it is the responsibility of the Audit Committee to provide an open avenue of communication between the Authority Board, Management, the Internal Auditor, and external auditors. The Audit Committee is provided specific authority to make recommendations to the Chief Financial Officer, the Executive Director and the Authority Board.

ORGANIZATION

The Audit Committee shall be composed of the following voting members:

1. Orange County staff member or citizen representative appointed by the Orange County Commission or in accordance with Orange County's policies providing for appointments to other governmental agencies;
2. City of Orlando staff member or citizen representative appointed by the City of Orlando Commission or in accordance with the City of Orlando's policies providing for appointments to other governmental agencies;
3. Lake County staff member or citizen representative appointed by Lake County Commission or in accordance with Lake County's policies providing for appointments to other governmental agencies;
4. Osceola County staff member or citizen representative appointed by the Osceola County Commission or in accordance with Osceola County's policies providing for appointments to other governmental agencies;
5. Seminole County staff member or citizen representative appointed by the Seminole County Commission or in accordance with Seminole County's policies providing for appointments to other governmental agencies.
6. Brevard County staff member or citizen representative appointed by the Brevard County Commission or in accordance with Brevard County's policies providing for appointments to other governmental agencies.
7. Up to three (3) citizen representatives appointed by the CFX governing Board after receiving nominations submitted by the gubernatorial Board appointees. The term for such appointments shall be for two years commencing upon appointment which term may be renewed. One nomination per gubernatorial appointee is allowed, but it shall not be mandatory that nominations be made.

Committee member appointments may not be delegated. The Committee members will serve at the pleasure of their respective jurisdictions. County and City appointments may include contract personnel currently providing services to the appointing entity. Notwithstanding the two year term, the citizen representatives shall serve at the pleasure of the CFX Board. Committee members should have financial expertise in general accounting principles and experience reviewing financial statements and audit reports.

CHAIRMAN SELECTION

The Audit Committee will be chaired on an annual, rotating basis beginning September 1, 2017, in the following order (current 2016-17 term remains in effect):

Current	Seminole County Representative
2017-2018	Osceola County Representative
2018-2019	One of Citizen Representatives
2019-2020	Lake County Representative
2020-2021	City of Orlando Representative
2021-2022	Brevard County Representative
2022-2023	Orange County Representative

The Audit Committee Chair shall serve as the Board Liaison and attend CFX Board meetings.

SUPPORT STAFF

The Internal Audit Director and the external auditors shall have direct and independent access to the Audit Committee and individually to members of the Audit Committee. The Committee shall have unrestricted access to employees and relevant information. The Committee may retain independent counsel, accountants or others to assist in the conduct of its responsibilities, subject to the Authority's procurement policy.

QUORUM

If all three gubernatorial Board members make nominations and the Board approves the appointments, the Committee shall consist of nine members and a quorum shall be five members present. If only two appointments are made the Committee shall consist of eight members and a quorum shall be five members present. If only one appointment is made the Committee shall consist of seven members and a quorum shall be four members present. In order for any action or recommendation to pass there must be a majority affirmative vote of the quorum based on the then current composition of the Committee.

MEETINGS

The Audit Committee shall meet at least quarterly. Meetings may be called by the Authority Board Chairman, the Audit Committee Chair, or any two Committee members. Public notice shall be provided in accordance with State law.

The agenda will be prepared by the Internal Audit Director and approved by the Chair and provided in advance to members, along with appropriate briefing materials. In the absence of any objection, the Chair or any Committee member may add or subtract agenda items at a meeting. In the event of objection, a majority vote shall decide.

The Committee meeting minutes and any Committee recommendations shall be submitted to the Authority Board for consideration.

RESPONSIBILITIES

Financial Reporting Oversight

1. Review with Management and the external auditors:

- The annual financial statements and related footnotes;
 - The external auditors' audit of the financial statements and their report;
 - Management's representations and responsibilities for the financial statements;
 - Any significant changes required in the audit plan;
 - Information from the external auditors regarding their independence;
 - Any difficulties or disputes with Management encountered during the audit;
 - The organization's accounting principles;
 - All matters required to be communicated to the Committee under generally accepted auditing standards.
2. Review with Management, the Authority's financial performance on a regular basis.

Internal Control and Risk Assessment

3. Review with Management the effectiveness of the internal control system, including information technology security and control.
4. Review with Management the effectiveness of the process for assessing significant risks or exposures and the steps Management has taken to monitor and control such risks.
5. Review any significant findings and recommendations of the Internal Auditor and external auditors together with Management's responses, including the timetable for implementation of recommendations to correct any weaknesses.

Compliance

6. Review with Management the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

Code of Ethics

7. Review with Management and monitor adequacy, administration, and compliance with the Authority's Code of Ethics.
8. Review the procedures for the anonymous and confidential submission of complaints and concerns regarding matters such as accounting, internal controls, auditing, waste, abuse, fraud, conflicts of interest, or other Code of Ethics violations.

Internal Audit

9. Recommend to the Board the appointment or removal of the Internal Audit Director.
10. Review and approve the annual internal audit plan and all major changes to the plan.
11. Review the internal audit budget and submit to the Finance Committee.
12. Review and approve the Internal Audit Department Charter.
13. Review internal audit reports and recommend transmittal and acceptance of the audit for filing with the governing Board which shall be accomplished by separate item on the Consent Agenda at a regularly scheduled meeting.
14. Review annually the performance of the Internal Audit Director.
15. Review annually the effectiveness of the internal audit function.

External Audit

16. Appoint an Audit Committee Member to serve on the Selection Committee for all external audit services.
17. Recommend to the Authority Board the external auditors to be appointed and the related compensation.
18. Review and approve the discharge of the external auditors.

19. Review the scope and approach of the annual audit with the external auditors.
20. Approve all non-audit services provided by the external auditors.

Other Authority and Responsibilities

21. Conduct other activities as requested by the Authority Board.
22. Conduct or authorize investigations into any matter within the Committee's scope of responsibilities.
23. Address any disagreements between Management and the Internal Auditor or external auditors.
24. Annually evaluate the Committee's and individual member's performance.
25. Review the Committee's formal Charter annually and update as needed.
26. Confirm annually that all responsibilities outlined in this Charter have been carried out.

REQUEST FOR PROPOSALS

INTERNAL AUDITOR SERVICES

CONTRACT NO. 01391

PROPOSAL DUE DATE: MARCH 26, 2018

**CENTRAL FLORIDA
EXPRESSWAY AUTHORITY**

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

REQUEST FOR PROPOSALS

INTERNAL AUDITOR SERVICES

CONTRACT NO. 01391

FEBRUARY 2018

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**CENTRAL FLORIDA EXPRESSWAY AUTHORITY
NOTICE OF REQUEST FOR PROPOSALS TO PROVIDE
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391**

The Central Florida Expressway Authority (CFX) requires the services of a qualified firm to serve as CFX's internal Auditor. Consideration will be given to only those respondents who are qualified to perform the work as determined by the Authority. Proposal documents are available for download at the CFX web site located at <https://apps.cfxway.com/Procurement/Account/Login?ReturnUrl=%2fProcurement>. Proposer registration is required to access and download documents. Instructions for registration are provided on the website.

CFX has determined that the use of the request for proposals process is in its best interest for this solicitation and that the selection of a contractor based solely on the lowest price (invitation to bid process) is not practicable. The RFP process provides the opportunity for CFX to review and evaluate information that CFX feels is important and necessary to ensure that the selected proposer has the requisite qualifications, experience, and understanding of the project objectives from both a corporate and staffing standpoint to protect the health, safety and welfare of motorists. Review and evaluation of these criteria is not available using the invitation to bid process.

DESCRIPTION OF SERVICES: Services shall be as detailed in the Scope of Services and may include, but are not limited to: providing independent and objective assurance designed to add value and improve the CFX's operations and help the CFX accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

QUALIFICATION REQUIREMENTS: The firm shall be certified by the Institute of Internal Auditors (IIA) as a Certified Internal Auditor and meet the appropriate criteria for independence.

The firm shall be a legal entity in the State of Florida and shall have performed continuous internal auditing services for a minimum of five years.

Firms must demonstrate they have the ability to provide the services necessary throughout the duration of the contract and are willing to meet the requirements of CFX as stated in the Scope of Services.

CFX will evaluate and determine the relative ability of each firm to perform the required services based upon the information provided by the firm in response to the RFP.

Proposers that are corporations must be registered to do business in Florida prior to the submittal of the Proposal. CFX will evaluate and determine the relative ability of each Proposer to perform the required services based upon the information provided by the Proposer in response to the RFP.

DISADVANTAGED/MINORITY/WOMEN/BUSINESS ENTERPRISE PARTICIPATION: The Central Florida Expressway Authority hereby notifies all firms and individuals that it will require affirmative efforts be made to ensure participation of local minority and women business enterprises on contracts awarded by CFX.

CODE OF ETHICS: All firms selected to work with CFX are required to comply with the CFX Code of Ethics, a copy of which is available on the CFX web site at www.cfxway.com.

PROPOSAL DUE DATE: Proposals will be received by CFX until 1:30 p.m. Orlando local time, on March 26, 2017, as shown on the time/date stamp clock at the receptionist's desk in the lobby. The clock will serve as the official instrument to determine when a proposal is received. A submittal that is clocked in after the date/time specified will be rejected and not accepted. Rejection of a submittal under those circumstances shall not be the basis of a protest pursuant to the CFX Procedure for Resolution of Protests.

EQUAL OPPORTUNITY STATEMENT: The Central Florida Expressway Authority, in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination on the basis of race, color, sex, national origin, age, religion and disability. CFX hereby notifies all Proposers and individuals that it requires and encourages equal employment opportunity for minority and women as employees in the workforce.

NON-SOLICITATION PROVISION: From the first date of publication of this Notice, no person may contact any CFX Member, Officer, Employee, or any evaluation committee member, with respect to this Notice or the services to be provided, except as related to the submittal requirements detailed in the RFP. Reference is made to the lobbying guidelines of CFX for further information regarding this Non-Solicitation Provision.

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Aneth O. Williams
Director of Procurement

**PROPOSAL SUBMITTAL REQUIREMENTS
FOR
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391
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**PROPOSAL SUBMITTAL REQUIREMENTS
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391**

1.0 REQUEST FOR PROPOSAL (RFP)

1.1 INVITATION

The Central Florida Expressway Authority requests written Technical and Price Proposals from qualified firms interested in providing Internal Auditor Services. Refer to Exhibit A, Scope of Services, for more detailed information.

The Central Florida Expressway Authority hereby notifies all firms and individuals that it will require affirmative efforts be made to ensure participation of local minority and women business enterprises on contracts awarded by CFX. Firms that are certified by the City of Orlando, Florida; Orange County, Florida, and the Florida Department of Transportation, or as a Disadvantaged Business Enterprises (based on membership to one of that agency's presumptive groups) are encouraged to submit proposals for these services.

For the purpose of this RFP, the term "Proposer" means the prime contractor acting for itself. The term "proposal" means the complete response of the Proposer to the request for proposals, including properly completed forms and supporting documentation.

1.2 BACKGROUND

CFX is an agency of the State of Florida, created by the Florida Legislature. On June 20, 2014, the Governor of Florida signed the bill to create CFX, which assumed the governance and control of the former Orlando-Orange County Expressway Authority, including its assets, personnel, contracts, obligations, liabilities, facilities and tangible and intangible property. CFX is responsible for the construction, maintenance and operation of toll roads in Brevard, Lake, Orange, Osceola, and Seminole Counties, and may also acquire, construct and equip rapid transit, trams and fixed guideways within the rights-of-way of the expressway system.

The CFX Board is made up of ten members, consisting of: (a) one member each appointed by the respective chairs of the county commissions of Brevard, Lake, Orange, Osceola, and Seminole Counties; (b) three citizens appointed by the Governor; (c) the Mayor of Orange County; and (d) the Mayor of the City of Orlando. The Florida Turnpike Enterprise Executive Director serves as a non-voting advisor. CFX is managed by an Executive Director appointed by the Board who is responsible for the day to day operations and oversees a staff of approximately 76 full-time employees.

CFX currently owns and operates 112 centerline miles of roadway in Orange County. The roadways include 22 centerline miles on State Road (SR) 408 (Spessard L. Holland East-West Expressway), 23 centerline miles on SR 528 (Martin B. Andersen Beachline Expressway), 33 centerline miles on SR 417 (Central Florida GreeneWay), 26 centerline miles on SR 429 (Daniel Webster Western

Beltway), six centerline miles on SR 414 (John Land Apopka Expressway) and two centerline miles on SR 451.

1.3 CONTRACT IDENTIFICATION

The contract is identified as CFX Contract No. 001391.

1.4 CONTRACTING AGENCY

The contracting agency is Central Florida Expressway Authority referred to herein as the “CFX”.

1.5 VERBAL INSTRUCTIONS AND ADDENDA

All questions relative to interpretation of the proposal documents or the procurement process shall be addressed in writing as indicated below. At CFX’s discretion, inquiries received within fourteen (14) days of the date set for the receipt of proposals may not be given any consideration. Any interpretation made to prospective proposers will be expressed in the form of an addendum which, if issued, will be made available on CFX’s website for download by registered proposers no later than five (5) days before the date set for receipt of proposals. Oral answers will not be authoritative.

It will be the responsibility of the prospective proposer prior to submitting proposals to ascertain if any addenda have been issued, to obtain all such addenda, and to acknowledge receipt of addenda on the Acknowledgement of Addendum form (page PSR-16). All addenda will be posted on CFX’s web site at <https://apps.cfxway.com/Procurement/Account/Login?ReturnUrl=%2fProcurement>.

Questions may be submitted via e-mail at RFP001391@CFXWay.com. All requests or questions should be clearly marked and must be received no later than 4:00 p.m., Orlando local time, on March 12, 2018.

No negotiations, decisions, or actions shall be initiated or executed by a Proposer as a result of any verbal discussions with an employee of CFX. Only those communications, which are in writing from CFX, may be considered as a duly authorized expression on behalf of CFX. Also, CFX will recognize only written communications from Proposers, which are signed by persons who are authorized to contractually bind the Proposers, as duly authorized expressions on behalf of the Proposers.

CFX will make available to all Proposers in receipt of the Request for Proposal, CFX’s written responses to a Proposer’s question(s) in the form of an addendum.

Although the RFP documents may have been made available to interested parties through various subscription services that may have posted the documents on the internet, prospective proposers may only rely on RFP documents obtained directly from CFX through the registration process described in the Notice of Request for Proposals. Questions and proposals will only be accepted from registered proposers.

1.6 AUTHORIZATIONS AND LICENSES

Proposers who are corporations must be authorized to do business in the State of Florida. Such authorization and licenses should be obtained by the Proposal due date and time. Proposers must be licensed in the State of Florida.

1.7 QUALIFICATIONS FOR SERVICES

1.7.1 GENERAL

CFX will determine whether the Proposer is qualified to provide the services being contracted based on the Proposer demonstrating in its proposal satisfactory experience and capability in the work area. The Proposer shall include the necessary experienced personnel and facilities to support the activities required by the Contract.

1.7.2 QUALIFICATIONS OF PERSONNEL

Those key individuals who will be directly providing contract services shall have demonstrated specific experience as detailed in the Scope of Services. Individuals whose qualifications are presented shall be committed to the project for its duration.

1.8 RESERVATIONS AND RESPONSIVENESS OF PROPOSALS

1.8.1 RESERVATIONS

CFX reserves the right to accept or reject any or all proposals received and reserves the right to make an award without further discussion of the proposals submitted. Therefore, the proposals should be submitted initially in the most favorable manner. It is understood that the proposal will become a part of CFX's official file on this matter without obligation on behalf of CFX. The contents of the proposals are subject to the Florida Public Records Act.

1.8.2 RESPONSIVENESS OF PROPOSALS

All proposals shall be in writing. A responsive proposal is one which conforms in all material respects to the requirements contained herein. Proposals may be rejected if found to be irregular or not in conformance with these requirements and instructions. A proposal may be found to be irregular or non-responsive by reasons including, but not limited to, failure to use or complete prescribed forms, conditional proposals, incomplete proposals, indefinite or ambiguous proposals, and improper or undated signatures.

Other conditions which may cause rejection of proposals include: evidence of collusion among Proposers; lack of experience or expertise to perform the required work; failure to perform or meet financial obligations on previous contracts; an individual, firm, partnership, or corporation is on the United States Comptroller General's List of Parties Excluded from Federal Procurement and Non-Procurement Programs.

Proposals will be disqualified if delivered or received after the date and time specified as the due date for submission. Disqualified Proposers will be notified in writing. Although these proposals will not be considered for evaluation they will be kept on file as disqualified.

1.8.3 MULTIPLE PROPOSALS

Proposals may be rejected if more than one proposal is received from an individual, firm, partnership, corporation, or combination thereof, (furnished as the prime Proposer) under the same or different names. Such duplicate interest may cause the rejection of all proposals in which such Proposer has participated.

1.8.4 WAIVERS

CFX may waive minor informalities or irregularities in proposals received where such is merely a matter of form and not substance, and the correction or waiver of which is not prejudicial to other Proposers. Minor irregularities are defined as those that will not have an adverse effect on CFX's interest and will not give a Proposer an advantage or benefit not enjoyed by other Proposers.

1.8.5 CONTRACTUAL OBLIGATIONS

Each individual, partnership, firm, or corporation that is part of the successful Proposer's team, either by joint venture or subcontract, will be subject to, and comply with, the contractual requirements.

1.9 COST INCURRED IN RESPONDING

Neither CFX nor any other public agency shall be committed to pay any costs incurred by an individual, firm, partnership, or corporation in the submission of a proposal.

1.10 EQUAL OPPORTUNITY STATEMENT

Central Florida Expressway CFX, in accordance with the Provisions of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., the Florida Civil Rights Act of 1992, as amended, § 760.10 et seq., Fla. Stat. (1996), and other federal and state discrimination statutes, prohibits discrimination on the basis of race, color, sex, age, national origin, religion, and disability or handicap. CFX requires and encourages equal employment opportunity for minority and women as employees in the work force.

1.11 CANCELLATION PRIVILEGES

The performance by CFX of any of its obligations under this RFP and subsequent Contract will be subject to and contingent upon the availability of monies lawfully appropriated for such purposes. If CFX deems at any time during the term of the Contract that monies lawfully applicable to the

Contract are unavailable for the remainder of the Contract term, CFX will notify the Contractor in writing, whereupon the obligations of the parties herein shall end within thirty (30) days upon giving of such notice and the Contract shall be considered canceled by mutual consent.

2.0 PROPOSAL SUBMISSION

2.1 GENERAL

By submitting a proposal, the Proposer represents that he/she understands and accepts the terms and conditions to be met and the character, quality, and scope of services to be provided and shall comply with subsection 20.055(5), Florida Statutes. All proposals and associated forms shall be signed and dated in ink by a duly authorized representative for the Proposer.

2.2 SUBMITTAL REQUIREMENTS

The original and six (6) copies of the Technical Proposal, and one (1) compact disk with an electronic version in pdf format with a resolution of 300 dots per inch (dpi), shall be submitted in a sealed envelope(s), identified as the Technical Proposal, and bearing on the outside the following:

Proposal For: INTERNAL AUDITOR SERVICES
Contract No.: 001391
Submitted To: CENTRAL FLORIDA EXPRESSWAY AUTHORITY
Submitted By: PROPOSER'S NAME
PROPOSER'S ADDRESS
CITY, STATE, ZIP CODE
PROPOSER'S PHONE NUMBER
PROPOSER'S CONTACT NUMBER AND E-MAIL ADDRESS
DATE SUBMITTED

An original and one (1) copy of the Fee Schedule (Exhibit D) shall be submitted in a sealed envelope, separate from the Technical Proposal. The envelope shall be identified as the Fee Schedule and shall include the same information on the outside as shown for the Technical Proposal. Fee Schedules will be opened after evaluation of the Technical Proposals has been completed.

The contents of the Technical Proposals and Fee Schedules will not be disclosed to the public until after the evaluation and final selection, at which time, under the Florida Public Records Act and the Florida Sunshine laws, materials submitted by a Proposer and the results of CFX's evaluation will be available for public inspection. Proposers should take note of this as it relates to any proprietary information that might be included in the proposal package. CFX assumes no liability for disclosure or use of data submitted in response to this RFP for any purpose and may consider that the proposal was not submitted in confidence and, therefore, can be released under the Florida Sunshine laws and the Freedom of Information Act (5 U.S.C. 522).

2.3 TIME AND PLACE OF SUBMITTAL

The original and the required number of copies of the Technical Proposal and Fee Schedule shall be submitted to:

Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, Florida 32807
Attn: Aneth Williams
Director of Procurement

Proposals will be received on March 26 2018, in the headquarters office of Central Florida Expressway Authority, 4974 ORL Tower Road, Orlando, Florida 32807 until 1:30 p.m., Orlando local time, as shown on the time/date stamp clock at the receptionist's desk in the lobby. The clock will serve as the official instrument to determine when a Proposal is received. A submittal that is received after the date/time specified will be rejected. Rejection of a submittal under those circumstances shall not be the basis of a protest pursuant to CFX Procedure for Resolution of Protests.

2.4 MODIFICATIONS, RE-SUBMITTAL AND WITHDRAWAL

Proposers may modify previously submitted proposals at any time prior to the proposal due date. Requests for modification of a submitted proposal shall be in writing and shall be signed in the same manner as the proposal. Upon receipt and acceptance of such a request, the entire proposal will be returned to the Proposer and not considered unless resubmitted by the due date and time.

2.5 PROPOSAL REVIEW PROCESS

An Evaluation Committee, hereinafter referred to as the Committee, will be established by CFX to review and evaluate each Technical Proposal. The Committee will be comprised of at least four persons with background, experience, and/or professional credentials in the service area.

Each member of the Committee will receive a copy of each Technical Proposal and will base his/her evaluation of each proposal on the same criteria in order to assure that value is uniformly established. The Committee will evaluate each Technical Proposal on its own merit without comparison to other proposals submitted. The Committee will assign rating factors based upon the evaluation criteria identified herein.

3.0 PROPOSAL FORMAT

3.1 TECHNICAL PROPOSALS

Proposals shall address each of the sections described below and how the Proposer intends to achieve the desired performance levels. The required information shall be clear, concise and understandable. If examples of reports are submitted, the Proposer shall explain the area being reported on and how the report addresses those issues.

No cost information or prices shall be included in the Technical Proposal. Inclusion of cost information or prices in the Technical Proposal may be sufficient cause for rejection of the submittal. The Technical Proposal shall include the following sections:

A. Executive Summary

The Executive Summary shall be written in non-technical language to summarize the Proposer's overall capabilities and approaches for accomplishing the services specified herein. The Executive Summary shall be limited to no more than three (3) pages.

The firm's certification as a Certified Internal Auditor with the Institute of Internal Auditors (IIA) shall be included under the Executive Summary tab but will not be counted against the three-page limit.

B. Understanding and Approach

The Proposer shall demonstrate its understanding of the project objectives and shall discuss the means by which these objectives will be attained. The Proposer shall include the following information under this tab:

1. A description of the Proposer's approach to this audit engagement.
2. A tentative schedule for performing the key phases of this engagement.
3. A description of Proposer's procedure in monitoring the progress of the audit and communicating same to the client while the audit is in progress.
4. The Proposer's specific policies, plans, procedures or techniques used to develop information for management letters.

C. Experience of Firm and Ability of Staff

The Proposer shall list the most significant engagements (maximum of 3) performed in the last five years by the office that will be assigned responsibility for the audit that are similar to the engagement described in this Request for Proposals. Indicate the scope of work, date, engagement partners, and the name and telephone number of the principal client contact.

The Proposer shall furnish resumes of Proposer's key personnel by classification shown on the Price Proposal (or equivalent classifications) and presently employed by the Proposer who will be assigned to the project. The Managing Director shall have a minimum of five (5) years of specific experience in the services required by the Scope of Services. Proposer's staff shall be identified and past experience of each, as it specifically relates to services required, shall be discussed.

The Proposer shall identify the principal supervisory and management staff, including Managing Director, Director, Senior Manager, and Manager, (or equivalent classifications) who would be assigned to the engagement. The Proposer shall also provide information on the governmental auditing experience of each person.

The Proposer shall provide information on the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and classification of the professional staff to be employed in this engagement on both a full-time and part-time basis. The information shall include specific details for the office in which the audit will be conducted. Additionally, the Proposer shall provide a brief job description of each employee classification set forth above along with the Proposer's experience requirements (if any) for each classification.

It is preferred that the office be located within the Central Florida Expressway Authority's jurisdictional area (Brevard, Lake, Orange, Osceola and Seminole Counties). The address of the office shall be provided.

D. Organization and Management

The Proposer shall describe its organization and management policies and their application to ensure accomplishment of the Project requirements. The Proposer shall provide organizational charts which show the entire proposed organizational structure. A description of the Proposer's internal lines of responsibility and authority, and the interface relationships with CFX and any subconsultants shall be shown.

The Proposer shall submit a staffing plan which clearly illustrates the key elements of the organizational structure proposed to accomplish the services required. Project management and key staff shall be identified.

The Proposer shall describe the expected participation and contribution of the Proposer's top officials in the proposed activities. The Proposer shall provide a definition of responsibility and accountability for specific tasks and functions of key individuals within the Proposer's organization.

The Proposer shall address its quality control program, namely the policies followed to assure a complete, accurate and quality service as it relates to the services required.

The program shall specify the method by which project related information is received and processed by the Proposer.

E. D/M/WBE Participation

The Proposer shall provide a policy statement of non-discrimination and equal employment opportunity and an affirmative action plan within the local office of the firm. The Proposer shall provide evidence of promoting minorities and women to manager and partner levels in the local office. The Proposer shall also indicate the degree to which the firm will subcontract with local minority and women-owned firms in the performance of the audit and consulting services.

F. Required Attachments to Proposal

Submit with the Technical Proposal the completed Conflict/Non-Conflict of Interest Statement and Litigation Statement form, the completed Drug-Free Workforce form, the completed Code of Ethics form, and the Acknowledgment of Addendum form if applicable.

3.2 PRESENTING THE TECHNICAL PROPOSAL

All items in the Technical Proposal shall be bound, punched and inserted in a three-ring binder or in some other manner organized such that portions will not become detached or lost. Tab dividers at the beginning of each section shall be provided. Duplication or quotation in detail from attached reference materials or marketing information is not necessary provided that a summary is included in the technical section and a clear and easy means to locate references to the information is provided. Font size for the Technical Proposal shall not be less than 10 point. The Proposal shall be limited to fifteen (15) pages, single-sided, exclusive of those items specifically identified above and the following:

- Transmittal Letter
- Front and back cover and divider sections
- Required forms to be completed
- Required reports to be submitted
- Key staff resumes
- References

3.3 INTERVIEW

The three (3) firms with the highest point total after evaluation of the first three criteria in 4.2 below will be shortlisted and requested to sit for an interview with the Committee. The interview will last approximately 30 minutes. Shortlisted firms who fail to participate in the interview will be considered non-responsive and eliminated from further consideration by the Committee. More than 3 firms may be shortlisted at the Committee's option. If less than 3 firms submit responses, CFX, at its sole discretion, may elect to continue the selection process or re-advertise the project.

During the interview, the Committee will ask questions that will assist the Committee in evaluating the technical capability of the Proposer and key staff to provide the desired services. Only the Proposer's Managing Director and other key staff assigned to this engagement should be present to answer the Committee's questions. No audio/visual presentations will be allowed.

Interviews are tentatively scheduled for April 17, 2018, at CFX's office. Proposers will be notified by CFX of the time that the Proposer will be required to appear. The order of the interviews will be determined alphabetically by company name.

4.0 PROPOSAL SCORING

4.1 CRITERIA

Submittals shall demonstrate the firm's understanding of the required services. The submittal shall be sufficiently detailed to enable the Committee to ascertain that the firm understands the requirements and is able to furnish services of the scope and complexity specified. Responses that are limited to a statement of "will comply" or a similar statement, which does not describe how each requirement will be met, will receive no technical credit. Responses which are merely a copy of the stated requirements are not desired and will receive no credit. Discussion of the firm's past experience that is not germane to the specified services should not be included.

4.2 SCORING BY THE COMMITTEE

Scoring of the submittals will be as follows:

Understanding and Approach	25
Experience of Firm and Ability of Staff	25
Organization and Management	20
Interview	<u>20</u>
TOTAL	90

PRICE PROPOSAL

Criteria

1. Total Price 10

To be considered responsive to the requirements for the Price Proposal, all required cost items must be entered on the Price Proposal and the summation of these cost items will represent the Proposal amount.

The lowest responsive and responsible Price Proposal will receive the maximum of 10 points. The other Price Proposals will receive scores based on the following formula:

Low Price/Subject Price x 10 = Score. Example: If ABC, Inc., is the low price at \$100,000 and XYZ, Inc., has a price of \$110,000, the calculation would be: $100,000/110,000 \times 10 = 9.09$ points for XYZ, Inc. ABC, Inc., would receive the full 10 points for being the low price.

TOTAL MAXIMUM POINTS 100

5.0 AWARD OF THE CONTRACT

CFX intends to award the Contract to the responsible and responsive Proposer whose proposal is determined to be the most advantageous to CFX taking into consideration the criteria stated herein.

5.1 PROTEST PROCEDURE

Any person who is adversely affected by: (i) the requirements or scope of services contained in this RFP, (ii) a notice of an intent to award or CFX action making the selection at a public meeting of the CFX Board, or (iii) an outcome of Pre-Award meeting and who wants to protest the requirements, specifications, project plans or other materials, the intent to award decision, an outcome of a Pre-Award meeting, or selection decision must comply with the proper procedures in the Central Florida Expressway Authority's Policy for Resolution of Protests, Policy: PROC 3.1, which is available for review upon request at the CFX Office, 4974 ORL Tower Road, Orlando, Florida. Failure to comply with Policy: PROC 3.1 shall constitute a waiver of any protest proceedings. A protest bond in the amount of \$5,000.00 will be required to protest the RFP package and the requirements of the Scope of Services. A protest bond in the amount of \$5,000.00, or 1% of the lowest proposal submitted, whichever is greater, will be required to protest a Notice of Intent to Award, or the CFX Board's selection determination. No protest bond is required to protest an outcome of a Pre-Award meeting.

5.2 CONTRACT EXECUTION

Following the protest period, CFX and the successful Proposer will enter into a Contract establishing the obligations of both parties. The successful Proposer shall execute the Contract within 14 calendar days and return it to CFX along with proof of insurance as required in the Contract.

6.0 PUBLIC ENTITY CRIME INFORMATION STATEMENT

The following provisions of Section 287.133 (2)(a), Florida Statutes, are applicable to this project:

“A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.”

7.0 CONFLICT/NON-CONFLICT OF INTEREST STATEMENT AND LITIGATION STATEMENT

The Proposer shall complete and submit with the Technical Proposal the Conflict/Non-Conflict of Interest Statement and Litigation Statement form included at the end of this section. Failure to submit the completed form may result in rejection of the Proposal as non-responsive.

8.0 DRUG-FREE WORKPLACE POLICY

The Proposer shall have a Drug Free Workplace Policy. A copy of the Drug-Free Workplace Form included at the end of this section shall be completed and submitted with the Technical Proposal. Failure to submit the completed form may result in rejection of the Proposal as non-responsive.

9.0 CODE OF ETHICS

All firms selected to work with CFX are required to comply with CFX's Code of Ethics, a copy of which is available on CFX's web site at www.CFXWay.com.

10.0 EXHIBITS

Attached exhibits are:

- A. Scope of Services
- B. Method of Compensation
- C. Contract
- D. Fee Schedule
- E. Potential Conflict of Interest Form

**CENTRAL FLORIDA EXPRESSWAY
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391**

**ACKNOWLEDGMENT OF STANDARD OF CONDUCT AND
CODE OF ETHICS**

If awarded the Contract, the undersigned covenants and agrees that it and its employees shall be bound by the standards of conduct provided in Florida Statutes 112.313 and Sections 348.753, and 104.31, as they relate to work performed under the Contract, which standards will by reference be made a part of the Contract as though set forth in full. The undersigned agrees to incorporate the provisions of this requirement in any subcontract into which it might enter with reference to the work performed or services provided.

The undersigned further acknowledges that it has read CFX's Code of Ethics, a copy of which is available on the CFX website at www.CFXWay.com and, to the extent applicable to the undersigned, agrees to abide with such policy.

Company Name

By: _____

Title: _____

(Note: Failure to execute and submit this form may be cause for rejection of the submittal as non-responsive.)

**CENTRAL FLORIDA EXPRESSWAY AUTHORITY
ACKNOWLEDGMENT OF ADDENDUM
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391**

I (we) hereby acknowledge receipt of the following Addenda issued during the proposal period for the project:

Addendum No. _____ Dated _____ Proposer Initial _____
Addendum No. _____ Dated _____ Proposer Initial _____
Addendum No. _____ Dated _____ Proposer Initial _____
Addendum No. _____ Dated _____ Proposer Initial _____
Addendum No. _____ Dated _____ Proposer Initial _____

(Note: If addenda are issued, failure by the Proposer to submit this form with the Technical Proposal may be cause for rejection of the proposal as non-responsive.)

CENTRAL FLORIDA EXPRESSWAY AUTHORITY
CONFLICT/NONCONFLICT OF INTEREST STATEMENT

CHECK ONE

To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other clients, contracts, or property interest for this project.

OR

The undersigned firm, by attachment to this form, submits information which may be a potential conflict of interest due to other clients, contracts or property interest for this project.

LITIGATION SUMMARY

PLEASE DISCLOSE AND PROVIDE A SHORT SUMMARY AND DISPOSITION OF ANY CIVIL LITIGATION IN FLORIDA INVOLVING THE FIRM AS A NAMED PARTY WITHIN THE LAST FIVE (5) YEARS.

ALSO DISCLOSE ANY ACTIONS AGAINST THE FIRM BY THE FLORIDA BAR, THE DEPARTMENT OF PROFESSIONAL REGULATION AND/OR ANY OTHER FEDERAL, STATE OR LOCAL REGULATORY AGENCY INCLUDING DISPOSITION OF SAME.

CHECK ONE

The undersigned firm has had no litigation or any projects in the last five (5) years.

OR

The undersigned firm, **BY ATTACHMENT TO THIS FORM**, submits a summary and disposition of individual cases of litigation in Florida during the past five (5) years; and actions by any Federal, State, and local agency.

COMPANY NAME

AUTHORIZED SIGNATURE

NAME (PRINT OR TYPE)

TITLE

Failure to check the appropriate blocks above may result in disqualification of your proposal. Likewise, failure to provide documentation of a possible conflict of interest, or a summary of past litigation, may result in disqualification of your proposal.

**CENTRAL FLORIDA EXPRESSWAY AUTHORITY
DRUG-FREE WORKPLACE FORM**

The undersigned, in accordance with Florida Statue 287.087 herby certifies that

_____ does:
Name of Business

1. Publish a statement of notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in Paragraph 1.
4. In the statement specified in Paragraph 1, notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employees will abide by the terms of a statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Florida Statute 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction of, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1 thru 5.

As the person authorized to sign this statement, I certify that this firm complies with the above requirements.

Proposer's Signature

Date

EXHIBIT A
INTERNAL AUDITOR SERVICES
SCOPE OF SERVICES

1.0 Description

The Internal Auditor shall provide auditing services to CFX as required by this Scope of Services.

2.0 Internal Audit Charter

Mission

The mission of the internal audit department to provide CFX Board with unbiased, objective assessments of whether Expressway resources are responsibly and effectively managed to achieve intended results.

Purpose

Internal audit's purpose is to add value, improve operations, and enhance transparency. It helps the Expressway accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Independence

The Internal Auditor Director is appointed by the Expressway Authority Board and reports to them through the Audit Committee. The role of the Internal Auditor Director may be filled by an outside firm that provides internal audit services to CFX on an outsourced basis. For administrative purposes, the Internal Audit Director reports to the General Counsel. To ensure independence, the internal audit function has no direct responsibility or any authority over any of the activities or operations of CFX.

Standards

Internal audit shall comply with the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors (IIA). Consistent with the IIA Standards, internal audit recognizes the mandatory nature of the Definition of Internal Auditing, the Code of Ethics, and the IIA Standards.

3.0 Audit Committee Charter

The Audit Committee Charter is attached to this Scope of Services and provides relevant information regarding the composition of the Committee, meetings schedule, Internal Audit responsibilities, etc.

4.0 Internal Auditor Responsibilities

The Internal Auditor responsibilities include the following:

- Develop a flexible annual internal audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management and/or Board members, and submit that plan to the Audit Committee for review and approval.
- Implement the annual internal audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet Audit Committee Charter requirements.
- Establish a quality assurance program by which the Internal Audit Director assures the operation of internal auditing activities.
- Perform consulting services at the request of management and/or the Audit Committee, beyond internal audit services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion at the request of management and/or the Audit Committee.
- Issue periodic reports to the Audit Committee and management summarizing results of audit activities as well as results of internal and external assessments conducted in association with the Quality Assurance and Improvement Program.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the Audit Committee.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Audit Committee of the results.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
- Meet with the Audit Committee Chairperson and CFX's executive staff to set the agenda for meetings.
- Ensure the Audit Committee meets its obligations, etc.

4.1 Risk Assessment and the Annual Internal Audit Plan

Risk assessment is a critical element of the Internal Auditor's annual responsibilities. The objective of the risk assessment is to identify and prioritize key areas of risk within CFX as part of the planning process in designing the Internal Audit Plan.

The Internal Auditor shall establish a risk-based approach to determine the priorities for internal audit activities. The Internal Auditor shall prepare an annual Risk Assessment and Internal Audit Plan to help identify, measure, and prioritize potential audits based on the level of risk to CFX. The Risk Assessment results and input from CFX management and Board members and the Internal Audit budget shall be used to prepare the annual Internal Audit Plan.

The annual internal audit planning process shall include the following major audit planning activities:

4.1.1 Identify, Assess and Prioritize Key Areas of Risk

The Internal Auditor must confirm and update prior year risk areas based upon review of prior year audit results and discussions with senior management and the Board. The Internal Auditor shall determine preliminary risk ratings based upon prior year results and interviews with management and the Board to confirm and validate the current risk model and to gain additional insight around risk trending. The Internal Auditor must aggregate and compile resulting information and prioritize areas of risk and finalize the risk model.

4.1.2 Select Focus Areas

The Internal Auditor must evaluate risks based upon the prioritization process and management/Board commentary to determine focus areas. A preliminary listing of proposed Internal Audit projects should be developed and defined to address areas of focus.

4.1.3 Internal Audit Plan Development

A scope of services shall be developed for each proposed Internal Audit project and must include the estimated level of effort. Budget allotments must be finalized for all proposed projects for Audit Committee approval. The proposed timing for selected projects throughout the year must be prepared by the Internal Auditor and approved by the Audit Committee.

4.1.4 Presenting the Internal Audit Plan

The final draft of the plan shall be discussed with the Audit Committee, the Executive Director and CFX's upper management. The final Internal Audit Plan shall be presented to the Audit Committee for review and approval.

4.2 Audit Process

The Internal Auditor's services shall focus on five general areas of CFX operations:

- 4.2.1 Effectiveness of operations and controls – Activities are performed adequately to produce the desired or intended results, and controls to mitigate risk are adequate and operating as intended.
- 4.2.2 Efficiency of operations – Activities are performed economically with minimum wasted effort or expense.
- 4.2.3 Safeguarding of resources and information – Prevention of loss of assets or resources, whether through theft, waste, or inefficiency, and protection of confidential information.
- 4.2.4 Reliability of reporting and data – Reports provide management with accurate and complete information appropriate for its intended purpose. It supports management's decision making and monitoring of the entity's activities and performance.
- 4.2.5 Compliance with applicable policies, procedures, laws, and regulations – Activities are conducted in accordance with relevant policies, procedures, laws and regulations.
- 4.2.6 Implementation of audit recommendations – The Internal Auditor shall conduct an independent review of CFX action plans associated with completed internal audits to track the implementation of each recommendation. The review of prior audit recommendations must be conducted every 6 months and should include a sample of completed recommendations from prior years to ensure that agreed upon actions steps were implemented and new controls and procedures continue to be followed.

5.0 Security Assessment for the Department of Highway Safety and Motor Vehicles

Under a Memorandum of Understanding between CFX and the Department of Highway Safety and Motor Vehicles (DHSMV), the DHSMV provides electronic access to driver license and motor vehicle data requested by CFX. A condition of the memorandum requires CFX to perform a security assessment and attest to DHSMV that CFX's internal controls over the data provided by DHSMV has been evaluated and is adequate to protect the data from unauthorized access distribution, use, modification, or disclosure.

The Internal Auditor shall perform the security assessment and provide the attestation in accordance with the American Institute of Certified Public Accountants "Statements on Standards for Attestation Engagement".

6.0 Task Orders

CFX will authorize individual task orders for each audit identified in the approved plan. The Internal Auditor shall determine the appropriate and sufficient resources to achieve the required objectives based on an evaluation of the nature and complexity of each task order, time constraints, and available resources. Planning shall consist of researching the area or activity to be examined and identifying areas of intended audit focus.

The Internal Auditor shall develop a planning memorandum for each authorized audit. The memorandum shall specify the scope of services, the audit schedule and resource requirements, the reporting structure, the frequency and format of communications, the standards that will be applicable, the nature and format of deliverables, and a "Price Not to Exceed" fee amount.

Audits performed under task orders shall be planned by the Internal Auditor in such a way as to coordinate closely with CFX staff to avoid unnecessary disruption of normal activities and eliminate duplication of work.

At the conclusion of each task order, the Internal Auditor shall prepare a draft audit report for review and comment by appropriate CFX management personnel. A written management response for each audit recommendation, an estimated date of completion, and the designated staff person responsible for implementation shall be included in the report. The final report shall be presented to the Audit Committee for review and acceptance. After Audit Committee acceptance, the report shall be presented to CFX's Board for review and acceptance.

Copies of working papers associated with a task order shall be provided to CFX upon request.

7.0 CFX Responsibilities

CFX will perform the following tasks and provide the Internal Auditor with the following information:

1. Maintain overall responsibility for management decisions concerning assignments;
2. Provide timely access to appropriate personnel for interviewing and review;
3. Provide ongoing direction regarding scope and objectives; and
4. Provide timely review of the Internal Auditor's work product and deliverables.

8.0 Additional Services

Additional services may be assigned to the Internal Auditor in accordance with the Contract and this Scope of Services. No work shall be performed under additional services without prior written authorization from CFX to the Internal Auditor to perform the work.

End of Scope of Services

EXHIBIT B
METHOD OF COMPENSATION
INTERNAL AUDITOR SERVICES

1.0 PURPOSE

This document describes the limits and method of compensation to be made to the Auditor for the services set forth in the Scope of Services. The services shall be provided over the duration of the work specified in the Contract.

2.0 COMPENSATION

For the satisfactory completion of the services detailed in the Scope of Services, the Auditor will be paid at the hourly rates shown in the Price Proposal for all work completed and accepted by CFX.

3.0 METHOD OF COMPENSATION

- 3.1 The Auditor shall have a documented invoice procedure. Payment will be made to the Auditor not more than once monthly. The Auditor shall prepare and forward two (2) copies of each monthly invoice (in a format acceptable to CFX) to CFX. The invoice shall include a breakdown of the work performed by the Auditor to verify the amount being requested for payment.
- 3.2 CFX does not guarantee that all of the services described in the Scope of Services will be assigned during the term of the Contract. Further, the Auditor is providing these services on a non-exclusive basis. CFX, at its option, may elect to have any of the services set forth herein performed by other auditors or CFX staff.
- 3.3 Auditor shall receive and accept the compensation and payment provided in its Price Proposal and the Contract as full payment for all labor, materials, expenses, supplies and incidentals required to be provided by the Auditor in the Scope of Services.
- 3.4 The Auditor shall promptly pay all subconsultants/subcontractors and suppliers their proportionate share of payments received from CFX.
- 3.5 CFX reserves the right to withhold payment or payments in whole or in part, and to continue to withhold any such payments for work not completed, completed unsatisfactorily, work that is behind schedule or work that is otherwise performed in an inadequate or untimely fashion as determined by CFX or its designated representative. Any and all such payments previously withheld shall be released and paid to Auditor promptly when the work is subsequently satisfactorily performed. If any defined action, duty or service or part required by the Contract is not performed by the Auditor, the value of such action, duty or service or part thereof will be

determined by CFX and deducted from any invoice or monthly billing period claiming such items for payment.

4.0 ADDITIONAL SERVICES

Additional services outside the scope of the Contract and the resulting compensation for such services shall be implemented by a written Supplemental Agreement in accordance with the Contract. Such work shall not be performed until a Supplemental Agreement has been executed by CFX and the Auditor.

5.0 PROJECT CLOSEOUT

Final Audit: The Auditor shall permit CFX, at CFX's option, to perform or have performed, an audit of the records of the Auditor and any or all subcontractors to support the compensation paid the Auditor. The audit will be performed as soon as practical after completion and acceptance of the contracted services. In the event funds paid to the Auditor under the Contract are subsequently determined to have been inadvertently paid by CFX because of accounting errors or charges not in conformity with the Contract, the Auditor agrees that such amounts are due to CFX upon demand. Final payment to the Auditor shall be adjusted for audit results.

END OF SECTION

EXHIBIT C

CONTRACT

Contract No. 001391

This Contract is made this ___day of _____, 20___, between the CENTRAL FLORIDA EXPRESSWAY AUTHORITY, a body politic and agency of the State of Florida, created by Chapter 2014-171, Laws of Florida, which is codified in Chapter 348, Part III of the Florida Statutes, hereinafter “CFX,” and _____, a _____ corporation, registered and authorized to do business in the State of Florida, whose principal address is _____, hereinafter “the AUDITOR.”

WITNESSETH:

WHEREAS, CFX was created by statute and is charged with acquiring, constructing, operating and maintaining a system of limited access roadways known as the Central Florida Expressway System; and

WHEREAS, CFX has been granted the power under Section 348.754(2)(m) of Florida Statutes, “to do everything necessary or convenient for the conduct of its business and the general welfare of the authority in order to comply with this part or any other law;” and

WHEREAS, CFX has determined that it is necessary and convenient in the conduct of its business to retain the services of an AUDITOR to perform internal auditor services and related tasks as may be assigned to the AUDITOR by CFX; and

WHEREAS, on or about February 26, 2018, CFX issued a Request for Proposals seeking qualified contractors to perform such tasks; and

WHEREAS, AUDITOR was the successful one of _____ qualified firms that responded to the Request for Proposals and was ultimately selected; and

NOW THEREFORE, in consideration of the mutual covenants and benefits set forth herein and other good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged by each party to the other, the parties hereto agree as follows:

1. SERVICES TO BE PROVIDED

The AUDITOR shall, for the consideration herein stated and at its cost and expense, do all the work and furnish all the materials, equipment, supplies and labor necessary to perform this Contract in the manner and to the full extent as set forth in the Scope of Services attached as **Exhibit “A”** which is hereby adopted and made part of this Contract as completely as if incorporated herein. The Contract shall be performed and services provided to the satisfaction of the duly authorized representatives of CFX, who shall have at all times full opportunity to evaluate the services provided under this Contract.

CFX does not guarantee that all of the services described in the Scope of Services will be assigned during the term of the Contract. Further, the AUDITOR is providing these services on a non-exclusive basis. CFX, at its option, may elect to have any of the services set forth herein performed by other contractors or CFX staff.

2. TERM AND NOTICE

The initial term of the Contract will be three (3) years days from the date indicated in the Notice to Proceed from CFX, hereinafter "Initial Contract Term." At the sole discretion and election of CFX, there may be two (2) one year renewal options, or portions thereof. Renewals will be based, in part, on a determination by CFX that the value and level of service provided by AUDITOR are satisfactory and adequate for CFX's needs. If a renewal option is exercised, CFX will provide AUDITOR with written notice of its intent at least 90 days prior to the expiration of the term of the Contract.)

CFX shall have the right to immediately terminate or suspend the Contract, in whole or in part, at any time upon notice for convenience or for cause for AUDITOR's material failure to perform the provisions of the Contract. Under no circumstances shall a properly noticed termination by CFX (with or without cause) constitute a default by CFX. In the event of a termination for convenience or without cause, CFX shall notify AUDITOR (in writing) of such action with instructions as to the effective date of termination or suspension, in accordance with the time frames set forth in said written notification. AUDITOR will be paid for all work properly performed prior to termination. AUDITOR will not be paid for special, indirect, consequential, or undocumented termination costs and expenses. Payment for work performed will be based on Contract prices, which prices are deemed to include profit and overhead. No profit or overhead will be allowed for work not performed, regardless of whether the termination is for convenience or for cause.

If AUDITOR: (i) fails to perform the Contract terms and conditions; (ii) fails to begin the work under the Contract within the time specified in the "Notice to Proceed"; (iii) fails to perform the work with sufficient, satisfactory, or suitable personnel or with sufficient, satisfactory, or suitable materials to assure the prompt performance of the work items covered or services required by the Contract; (iv) fails to comply with the Contract, or (v) performs unsuitably or unsatisfactorily in the opinion of CFX reasonably exercised, or for any other cause whatsoever, fails to carry on the work or services in an acceptable manner, CFX will give notice in writing to the AUDITOR of such delay, neglect or default. If the Contract is declared in default, CFX may take over the work covered by the Contract.

If AUDITOR (within the curative period, if any, described in the notice of default) does not correct the default, CFX will have the right to remove the work from AUDITOR and to declare the Contract in default and terminated.

Upon declaration of default and termination of the Contract, CFX will have the right to appropriate or use any or all materials as CFX determines, and may retain others for the completion of the work under the Contract, or may use other methods which in the opinion of CFX are required for Contract completion. All costs and charges incurred by CFX because of, or related to, the AUDITOR's default (including the costs of completing Contract performance) shall be charged against the AUDITOR. If the expense of Contract completion exceeds the sum which would have been payable under the Contract, the AUDITOR shall pay CFX the amount of the excess. If, after the default notice curative period has expired, but prior to any action by CFX to complete the work under the Contract, AUDITOR demonstrates an intent and ability to cure the default in accordance with CFX's requirements, CFX may, but is not obligated to, permit AUDITOR to resume work under the Contract. In such circumstances, any costs of CFX incurred by the delay (or from any reason attributable to the delay) will be deducted from any monies due or which may become due AUDITOR under the Contract. Any such costs incurred by CFX which exceed the remaining amount due on the Contract shall be reimbursed to CFX by AUDITOR. The financial obligations of this paragraph, as well as any other provision of the Contract which by its nature and context survives the expiration of earlier termination of the Contract, shall survive the expiration or earlier termination of the Contract.

CFX shall have no liability to AUDITOR for expenses or profits related to unfinished work on a Contract terminated for default.

CFX reserves the right to immediately cancel or immediately terminate this Contract in the event the AUDITOR or any employee, servant, or agent of the AUDITOR is indicted or has a direct information issued against him for any crime arising out of or in conjunction with any work being performed by the AUDITOR for on behalf of CFX, without penalty. Such termination shall be deemed a termination for default.

CFX reserves the right to immediately terminate or immediately cancel this Contract in the event the AUDITOR shall be placed in either voluntary or involuntary bankruptcy or an assignment is made for the benefit of creditors. Such termination shall be deemed a termination for default.

3. CONTRACT AMOUNT AND COMPENSATION FOR SERVICES

3.1 The not-to-exceed Contract Amount for the Initial Contract Term is \$_____ as outlined in Price Proposal attached hereto as **Exhibit "B"** and incorporated by reference as though set forth fully herein.

3.2 CFX agrees to pay CONTRACTOR for services performed in accordance with the Method of Compensation attached hereto as **Exhibit "C"** and incorporated by reference as though set forth fully herein.

4. AUDIT AND EXAMINATION OF RECORDS

4.1 Definition of Records:

(i) "Contract Records" shall include, but not be limited to, all information, communications and data, whether in writing or stored on a computer, computer disks, microfilm, writings, working papers, drafts, computer printouts, field notes, charts or any other data compilations, books of account, photographs, videotapes and audiotapes supporting documents, any other papers or preserved data in whatever form, related to the Contract or the AUDITOR's performance of the Contract determined necessary or desirable by CFX for any purpose. Proposal Records shall include, but not be limited to, all information and data, whether in writing or stored on a computer, writings, working papers, computer printouts, charts or other data compilations that contain or reflect information, data or calculations used by AUDITOR in determining labor, unit price, or any other component of a bid submitted to CFX.

(ii) "Proposal Records" shall include, but not be limited to, any material relating to the determination or application of equipment rates, home and field overhead rates, related time schedules, labor rates, efficiency or productivity factors, arithmetic extensions, quotations from subcontractors, or material suppliers, profit contingencies and any manuals standard in the industry that may be used by AUDITOR in determining a price.

CFX reserves and is granted the right (at any time and from time to time, for any reason whatsoever) to review, audit, copy, examine and investigate in any manner, any Contract Records (as herein defined) or Proposal Records (as hereinafter defined) of the AUDITOR or any subcontractor. By submitting a response to the Request for Proposal, AUDITOR and any subcontractor submits to and agree to comply with the provisions of this section.

If CFX requests access to or review of any Contract Documents or Proposal Records and AUDITOR refuses such access or review, AUDITOR shall be in default under its Contract with CFX, and such refusal shall, without any other or additional actions or omissions, constitute grounds for suspension or disqualification of AUDITOR. These provisions shall not be limited in any manner by the existence of any AUDITOR claims or pending litigation relating to the Contract. Disqualification or suspension of the AUDITOR for failure to comply with this section shall also preclude the AUDITOR from acting in the future as a subcontractor of another AUDITOR doing work for CFX during the period of disqualification or suspension. Disqualification shall mean the AUDITOR is not eligible for and shall be precluded from doing future work for CFX until reinstated by CFX.

Final Audit for Project Closeout: The AUDITOR shall permit CFX, at CFX'S option, to perform or have performed, an audit of the records of the AUDITOR and any or all subcontractors to support the compensation paid the AUDITOR. The audit will be performed as soon as practical after completion and acceptance of the contracted services. In the event funds paid to the AUDITOR under the Contract are subsequently determined to have been inadvertently paid by CFX because of accounting errors or charges not in conformity with the

Contract, the AUDITOR agrees that such amounts are due to CFX upon demand. Final payment to the AUDITOR shall be adjusted for audit results.

AUDITOR shall preserve all Proposal Records and Contract Records for the entire term of the Contract and for a period of five (5) years after the later of: (i) final acceptance by CFX of the project or all work performed under the Contract, (ii) until all claims (if any) regarding the Contract are resolved, or (iii) expiration of the Proposal Records and Contract Records' status as public records, as and if applicable, under Chapter 119, Florida Statutes.

5. PUBLIC RECORDS

IF AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 407-690-5000, publicrecords@CFXWay.com, and 4974 ORL Tower Road, Orlando, FL. 32807.

Notwithstanding the section on "Press Releases," AUDITOR acknowledges that CFX is a body politic and corporate, an agency of the State of Florida, and is subject to the Public Records Act codified in Chapter 119, Florida Statutes. To the extent that the AUDITOR is in the possession of documents that fall within the definition of public records subject to the Public Records Act, which public records have not yet been delivered to CFX, AUDITOR agrees to comply with Section 119.0701, Florida Statutes, and to:

1. Keep and maintain public records required by the public agency to perform the service.
2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if AUDITOR does not transfer the records to the public agency.
4. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of AUDITOR or keep and maintain public records required by the public agency to perform the service. If AUDITOR transfers all public records to the public agency upon completion of the contract, AUDITOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If AUDITOR

keeps and maintains public records upon completion of the contract, AUDITOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

Upon receipt of any request by a member of the public for any documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, made or received by AUDITOR in conjunction with this Contract (including without limitation Contract Records and Proposal Records, if and as applicable), AUDITOR shall immediately notify the CFX. In the event AUDITOR has public records in its possession, AUDITOR shall comply with the Public Records Act and AUDITOR must provide the records to CFX or allow the records to be inspected or copied within a reasonable time. Failure by AUDITOR to grant such public access shall be grounds for immediate unilateral termination of this Contract by CFX for cause. Failure to provide the public records to CFX within a reasonable time may subject the AUDITOR to penalties under Section 119.10, Florida Statutes.

The obligations in this Section shall survive the expiration or termination of this Contract and continue in full force and effect as set forth above.

6. CONFLICT OF INTEREST AND STANDARDS OF CONDUCT

No Contingent Fees. AUDITOR warrants that it has not employed or retained any entity or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this Contract, and that AUDITOR has not paid or agreed to pay any person, company, corporation, individual or firm any fee, commission, percentage, gift or any other consideration, contingent upon or resulting from the award or making of this Contract. It is understood and agreed that the term "fee" shall also include brokerage fee, however denoted. For breach of this provision, CFX shall have the right to terminate this Contract without liability at its sole discretion.

AUDITOR acknowledges that CFX officials and employees are prohibited from soliciting and accepting funds or gifts from any person who has, maintains, or seeks business relations with CFX in accordance with CFX's Code of Ethics. AUDITOR acknowledges that it has read the CFX's Code of Ethics and, to the extent applicable, AUDITOR will comply with the aforesaid CFX's Code of Ethics in connection with performance of the Contract.

As required by Section 348.753, Florida Statutes, and CFX's Code of Ethics, AUDITOR agrees to complete CFX's Potential Conflict Disclosure Form prior to the execution of the Contract, upon the occurrence of an event that requires disclosure, and annually, not later than July 1st. The Potential Conflict Disclosure Form is attached as **Exhibit "D."**

In the performance of the Contract, AUDITOR shall comply with all applicable local, state, and federal laws and regulations and obtain all permits necessary to provide the Contract services.

AUDITOR covenants and agrees that it and its employees, officers, agents, and subcontractors shall be bound by the standards of conduct provided in Section 112.313, Florida Statutes, as it relates to work performed under this Contract, which standards will be reference be made a part of this Contract as though set forth in full.

AUDITOR hereby certifies that no officer, agent or employee of CFX has any “material interest” (as defined in Section 112.312(15), Florida Statutes) either directly or indirectly, in the business of AUDITOR, and that no such person shall have any such interest at any time during the term of this Agreement.

7. DISADVANTAGED/MINORITY/WOMEN BUSINESS ENTERPRISES

CFX has adopted a program to provide opportunities for small business, including Disadvantaged/Minority Business Enterprises (“D/MBEs”) and Women’s Business Enterprises (“WBEs”). Under CFX’s program, AUDITOR is encouraged to grant small businesses the opportunity to participate in CFX’s contracts. AUDITOR shall provide information regarding its employment of such businesses and the percentage of payments made to such businesses and others. AUDITOR shall provide an annual report to CFX on or before each anniversary of the date indicated in the Notice to Proceed and throughout the Term, regarding use of small business D/MBEs and WBEs and the percentage of payments made to enterprises falling within such categories. Such report shall consolidate the information contained in AUDITOR’s invoices, and shall be in a form reasonably acceptable to CFX.

8. AUDITOR INSURANCE

Anything contained herein to the contrary notwithstanding, during the term of the Contract and for such additional time as may be further required, the AUDITOR shall provide, pay for and maintain in full force and effect insurance outlined below for coverage at not less than the prescribed minimum limits of liability, covering the AUDITOR’s activities and those of any and all subcontractors (including officers, directors, employees or agents of each and their successors).

Upon execution of the Contract, the AUDITOR shall furnish to CFX, Certificates of Insurance bearing an original manual signature of the authorized representative of the insurance company. No Work shall commence under the Contract unless and until the required Certificates of Insurance described herein are in effect and have been approved by CFX. The Certificate of Insurance shall be issued to CFX and shall reference the complete and correct Project number, as well as the full and complete name of each insurance company, including city and state of domicile, as listed by A.M. Best Company.

AUDITOR shall carry and keep in force during the period of this Contract, the required amount of coverage as stated below. All insurance must be underwritten by insurers that are qualified to

transact business in the State of Florida and that have been in business and have a record of successful and continuous operations for at least five (5) years. Each shall carry a rating of "A-" (excellent) and a financial rating of Class XII, as defined by A.M. Best and Company's Key Rating Guide and must be approved by CFX. AUDITOR shall carry and keep in force the following insurance coverage, and provide CFX with correct certificates of insurance (ACORD forms) upon Contract execution:

8.1 **Commercial General Liability:** Insurance having a minimum coverage of One Million Dollars (\$1,000,000.00) per occurrence of bodily injury or property damage and a minimum of Two Million Dollars (\$2,000,000.00) annual aggregate for both General and Products and Completed Operations. Liability insurance shall be current ISO simplified form including products and completed operations coverage. The contractual liability insurance coverage shall include coverage for responsibilities and liabilities assumed by AUDITOR under this Agreement.

8.2 **Business Automobile Liability** (for bodily injury, death and property damage) having a minimum coverage of One Million Dollars (\$1,000,000.00) for each accident;

8.3 **Workers' Compensation Insurance:** Coverage, including all coverage required under the laws of the state of Florida (as amended from time to time hereafter);

8.4 **Unemployment Insurance:** Coverage in amounts and forms required by Florida law, as it may be amended from time to time hereafter;

8.5 **Professional Liability:** Professional Liability Coverage shall have limits of not less than One Million Dollars (\$1,000,000) Combined Single Limit (CSL) or its equivalent, protecting the selected firm or individual against claims of CFX for negligence, errors, mistakes or omissions in the performance of services to be performed and furnished by the AUDITOR.

1.6 **Information Security/Cyber Liability Insurance:** If a data breach is possible, the AUDITOR shall maintain information security/cyber liability insurance to include Internet Media Liability including cloud computing and mobile devices, for protection of private or confidential information whether electronic or non-electronic, network security and privacy; privacy against liability for system attacks, digital asset loss, denial or loss of service, introduction, implantation or spread of malicious software code, security breach, unauthorized access and use; including regulatory action expenses; and notification and credit monitoring expenses with at least the minimum limits listed below.

- Each Occurrence – \$1,000,000
- Network Security / Privacy Liability –\$1,000,000
- Breach Response/ Notification Sublimit – A minimum limit of 50% of the policy aggregate
- Technology Products E&O – \$1,000,000 (**Only applicable for Vendors supplying technology related services and or products**)

- Coverage shall be maintained in effect during the period of the Agreement and for no less than two (2) years after termination/ completion of the Agreement.

Information Security/Cyber Liability Insurance written on a “claims-made” basis covering Supplier, its employees, subcontractors and agents for expenses, claims and losses resulting from wrongful acts committed in the performance of, or failure to perform, all services under this Agreement, including, without limitation, claims, demand and any other payments related to electronic or physical security, breaches of confidentiality and invasion of or breaches of privacy.

8.7 Commercial Crime Insurance: If the scope of the contract includes involvement with monies and monetary instruments, the AUDITOR shall maintain commercial crime insurance having a minimum coverage of Ten Million Dollars (\$10,000,000.00) per occurrence and a minimum of Ten Million Dollars (\$10,000,000.00) annual aggregate.

8.8 Fiduciary Liability Insurance: If the scope of the contract includes fiduciary duties, the AUDITOR shall maintain commercial crime insurance having a minimum coverage of Ten Million Dollars (\$10,000,000.00) per claim and a minimum of Ten Million Dollars (\$10,000,000.00) annual aggregate.

Such insurance policies shall be without co-insurance, and shall (a) include CFX, and such other applicable parties CFX shall designate, as additional insureds for commercial general liability and business automobile liability, (b) be primary and noncontributory insurance, (c) include contractual liability for commercial general liability, (d) provide that the policy may not be canceled or materially changed without at least thirty (30) days prior written notice to CFX from the company providing such insurance, and (e) provide that the insurer waives any right of subrogation against CFX, to the extent allowed by law and to the extent the same would not void primary coverage for applicable insurance policies. AUDITOR shall be responsible for any deductible it may carry. Renewal Certificates of Insurance for all policies shall be submitted by the AUDITOR so that they are received by CFX no later than thirty (30) calendar days prior to the expiration of existing insurance coverage. Failure by the AUDITOR to meet this required timeframe shall result in suspension of partial payments on monthly estimates until the certificates are received and accepted by CFX. Procurement of insurance shall not be construed to limit AUDITOR’s obligations or liabilities under the Contract. The requirement of insurance shall not be deemed a waiver of sovereign immunity by CFX.

Any insurance carried by CFX in addition to AUDITOR’s policies shall be excess insurance, not contributory.

Failure of CFX to demand such certificate or evidence of full compliance with these insurance requirements or failure of CFX to identify a deficiency from evidence provided will not be construed as a waiver of the AUDITOR’s obligation to maintain such insurance.

The acceptance of delivery by CFX of any certificate of insurance evidencing the required coverage and limits does not constitute approval or agreement by CFX that the insurance requirements have been met or the insurance policies shown in the certificates of insurance are in compliance with the requirements.

If AUDITOR fails to obtain the proper insurance policies or coverages, or fails to provide CFX with certificates of same, CFX may obtain such policies and coverages at AUDITOR's expense and deduct such costs from AUDITOR payments. Alternately, CFX may declare AUDITOR in default for cause.

9. AUDITOR RESPONSIBILITY

AUDITOR shall comply with, and shall cause its employees, agents, officers and subcontractors and all other persons for whom AUDITOR may be legally or contractually responsible to comply with, applicable laws, ordinances, rules, regulations, orders of public authorities, sound business practices, including without limitation:

- (i) those relating to the safety of persons and property and their protection from damage, injury or loss; and
- (ii) all workplace laws, regulations, and posting requirements; and
- (iii) all professional laws, rules, regulations, and requirements; and
- (iv) implementation of a drug-free workplace policy at least of a standard comparable to, and in compliance with, CFX'S Drug-Free Workplace Policy; and
- (iv) compliance with the public records laws of Chapter 119, Florida Statutes.

10. INDEMNITY

AUDITOR shall indemnify and hold harmless CFX, and its officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of AUDITOR and other persons employed or utilized by AUDITOR in the performance of the contract.

Further, AUDITOR shall indemnify, defend and hold harmless CFX, and its respective officers and employees, from actual suits, actions, claims, demands, costs as defined elsewhere herein, expenses (including reasonable attorneys' fees as defined elsewhere herein), judgments, liabilities of any nature whatsoever (collectively, "Claims") arising out of, because of, or due to breach of the Contract by the AUDITOR, its subcontractors, officers, agents or employees, or due to any negligent or intentional act or occurrence of omission or commission of the

AUDITOR, its subcontractors, officers, agents or employees, including without limitation any misappropriation or violation of third party copyright, trademark, patent, trade secret, publicity, or other intellectual property rights or other third party rights of any kind, by or arising out of any one or more of the following:

- 10.1 violation of same by AUDITOR, its subcontractors, officers, agents or employees,
- 10.2 CFX's use or possession of the AUDITOR Property or AUDITOR Intellectual Property (as defined herein below),
- 10.3 CFX's full exercise of its rights under any license conveyed to it by AUDITOR,
- 10.4 AUDITOR's violation of the confidentiality and security requirements associated with CFX Property and CFX Intellectual Property (as defined herein below),
- 10.5 AUDITOR's failure to include terms in its subcontracts as required by this Contract,
- 10.6 AUDITOR's failure to ensure compliance with the requirements of the Contract by its employees, agents, officers, or subcontractors, or
- 10.7 AUDITOR's breach of any of the warranties or representations contained in this Contract.

AUDITOR will not be liable for damages arising out of injury or damage to persons or property directly caused or resulting from the sole negligence of CFX or any of its officers, agents or employees. The parties agree that 1% of the total compensation to the AUDITOR for performance of each task authorized under the Contract is the specific consideration from CFX to AUDITOR for AUDITOR's indemnity and the parties further agree that the 1% is included in the amount negotiated for each authorized task.

11. PRESS RELEASES

AUDITOR shall make no statements, press releases or publicity releases concerning the Contract or its subject matter, or otherwise disclose or permit to be disclosed any of the data or other information obtained or furnished under the Contract, or any particulars thereof, including without limitation CFX Property and CFX Intellectual Property, without first notifying CFX and securing its consent in writing.

12. PERMITS, LICENSES, ETC.

Throughout the Term of the Contract, the AUDITOR shall procure and maintain, at its sole expense, all permits and licenses that may be required in connection with the performance of Services by AUDITOR; shall pay all charges, fees, royalties, and taxes; and shall give all notices

necessary and incidental to the due and lawful prosecution of the Services. Copies of required permits and licenses shall be furnished to CFX upon request.

13. NONDISCRIMINATION

AUDITOR, its employees, officers, agents, and subcontractors shall not discriminate on the grounds of race, color, religion, sex, national origin, or other protected class, in the performance of work or selection of personnel under this Contract.

14. ASSIGNMENT AND REMOVAL OF KEY PERSONNEL

A significant factor in the decision of CFX to award this Contract to the AUDITOR is the level of expertise, knowledge and experience possessed by employees of AUDITOR, particularly the individuals listed below, hereinafter "Key Personnel."

Name and Title of Key Personnel

and AUDITOR's covenant to have employees possessing such expertise, knowledge and experience available at all times to assist in the provision of the services. Throughout the term of this Contract, AUDITOR shall employ individuals having significant training, expertise, and experience in the areas or disciplines more particularly set forth in the RFP and Scope of Services, together with such other areas of expertise or experience, as may be designated from time to time during the term of this Contract by CFX. When CFX designates an additional area for which expertise or experience shall be required, AUDITOR shall use all reasonable and diligent efforts to promptly hire and retain one or more individuals possessing such experience or expertise.

AUDITOR shall hire and maintain Key Personnel as employees throughout the term of the Contract. The identity of the individuals, initially assigned to each of such positions by AUDITOR, are listed above and CFX shall be notified in advance of any changes in the individuals. The Key Personnel shall be committed to performing services on this Contract to the extent required. Key Personnel may be dismissed for unsatisfactory performance or any reason set forth below.

If prior to the second anniversary of the first date of the initial term of this Contract, AUDITOR removes, suspends, dismisses, fires, transfers, reassigns, lays off, discharges, or otherwise terminates any Key Personnel without the prior notification to CFX, such action shall constitute an event of

default by AUDITOR hereunder. AUDITOR may cure such event of default only by replacing the Key Personnel with another employee having comparable experience and qualifications. Promptly upon request of CFX, AUDITOR shall remove from activities associated with or related to the performance of this Contract any employee whom CFX considers unsuitable for such work. Such employee shall not be reassigned to perform any work relating to the services except with the express written consent of CFX.

The AUDITOR's managers and superintendents shall speak and understand English, and at least one responsible management person who speaks and understands English shall be at each of the work locations during all working hours.

15. NOTIFICATION OF CONVICTION OF CRIMES

AUDITOR shall notify CFX if any of AUDITOR's Key Personnel shall be convicted of any crime, whether state or federal, or felony or misdemeanor of any degree. Such notification shall be made no later than thirty (30) days after the conviction, regardless of whether such conviction is appealed.

16. COMPLIANCE WITH LAWS; EQUAL OPPORTUNITY EMPLOYMENT

AUDITOR shall conform and comply with and take reasonable precaution to ensure that every one of their directors, officers and employees abides by and complies with all applicable laws of the United States and the State of Florida, and all local laws and ordinances. Furthermore, AUDITOR agrees to and shall comply with all federal, state and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, age, sex, marital status or the presence of any sensory, mental or physical handicap or other disability, and will take affirmative steps to insure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age, disability or national origin. This provision shall include, but not be limited to, the following: employment; promotion; demotion; transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17. SUBLETTING AND ASSIGNMENT

CFX has selected AUDITOR to perform the Services based upon characteristics and qualifications of AUDITOR and its employees and the subcontractors listed below.

List of Subcontractors

Therefore, AUDITOR shall not further sublet, sell, transfer, assign, delegate, subcontract, or otherwise dispose of this Contract or any portion thereof, or of the AUDITOR's right, title, or interest therein without the written consent of CFX, which may be withheld in CFX'S sole and absolute discretion. Any attempt by AUDITOR to dispose of this Contract as described above, in part or in whole, without CFX'S written consent shall be null and void and shall, at CFX's option, constitute a default under the Contract.

If, during the term of the Contract, AUDITOR desires to subcontract any portion(s) of the work to a subcontractor that was not disclosed by the AUDITOR to CFX at the time that the Contract was originally awarded, and such subcontract would, standing alone or aggregated with prior subcontracts awarded to the proposed subcontractor, equal or exceed twenty-five thousand dollars (\$25,000.00), the AUDITOR shall first submit a request to CFXs Director of Procurement for authorization to enter into such subcontract. Except in the case of an emergency, as determined by the Executive Director or his/her designee, no such subcontract shall be executed by the AUDITOR until it has been approved by CFX Board. In the event of a designated emergency, the AUDITOR may enter into such a subcontract with the prior written approval of the Executive Director or his/her designee, but such subcontract shall contain a provision that provides that it shall be automatically terminated if not approved by CFX Board at its next regularly scheduled meeting.

18. DISPUTES

All services shall be performed by the AUDITOR to the reasonable satisfaction of CFX's Executive Director (or his delegate), who shall decide all questions, difficulties and disputes of any nature whatsoever that may arise under or by reason of this Contract, the prosecution and fulfillment of the services described and the character, quality, amount and value thereof. The Executive Director's decision upon all claims, questions and disputes shall be final agency action. Adjustments of compensation and Contract time, because of any major changes in the work that may become necessary or desirable as the work progresses shall be left to the absolute discretion of the Executive Director (and CFX Board if amendments are required) and supplemental agreement(s) of such nature as required may be entered into by the parties in accordance herewith.

19. OTHER SEVERABILITY

If any section of this Contract be judged void, unenforceable or illegal, then the illegal provision shall be, if at all possible, interpreted or re-drafted into a valid, enforceable, legal provision as close to the parties' original intention, and the remaining portions of the Contract shall remain in full force and effect and shall be enforced and interpreted as closely as possible to the parties' intention for the whole of the Contract.

20. INTEGRATION

It is understood and agreed that the entire agreement of the parties is contained in this Contract herein and that this Contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. No waiver, amendment, or modification of these terms hereof will be valid unless in writing, signed by all parties and only to the extent therein set forth.

21. PUBLIC ENTITY CRIME INFORMATION AND ANTI-DISCRIMINATION STATEMENT

AUDITOR hereby acknowledges that pursuant to Section 287.133(2)(a), Florida Statutes, “a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO (\$35,000) for a period of 36 months following the date of being placed on the convicted vendor list.”

AUDITOR further acknowledges that pursuant to Section 287.134(2)(a), Florida Statutes, “an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.”

22. APPLICABLE LAW; VENUE

This Contract shall be governed by and construed in accordance with the laws of Florida. Venue of any legal or administrative proceedings arising out of this Contract shall be exclusively in Orange County, Florida.

In consideration of the foregoing premises, CFX agrees to pay AUDITOR for work properly performed and materials furnished at the prices submitted with the Proposal.

23. RELATIONSHIPS

AUDITOR acknowledges that no employment relationship exists between CFX and AUDITOR or AUDITOR's employees. AUDITOR shall be responsible for all direction and control of its employees and payment of all wages and salaries and other amounts due its employees. AUDITOR shall be responsible for all reports and obligations respecting such employees, including without limitation social security tax and income tax withholding, unemployment compensation, workers compensation, and employment benefits.

AUDITOR shall conduct no act or omission that would lead AUDITOR's employees or any legal tribunal or regulatory agency to believe or conclude that AUDITOR's employees would be employees of CFX.

Any approval by CFX of a subcontract or other matter herein requiring CFX approval for its occurrence shall not be deemed a warranty or endorsement of any kind by CFX of such subcontract, subcontractor, or matter.

24. INTERPRETATION

For purposes of this Contract, the singular shall include the plural, and the plural shall include the singular, unless the context clearly requires otherwise. Except for reference to women's business enterprises and matters relating thereto, reference to one gender shall include all genders. Reference to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the stated statute or regulation. Words not otherwise defined and that have well-known technical, industry, or legal meanings, are used in accordance with such recognized meanings, in the order stated. References to persons include their respective permitted successors and assigns and, in the case of governmental persons, persons succeeding to their respective functions and capacities. If AUDITOR discovers any material discrepancy, deficiency, or ambiguity in this Contract, or is otherwise in doubt as to the meaning of any provision of the Contract, AUDITOR may immediately notify CFX and request clarification of CFX's interpretation of the Contract.

25. WAGE RATES AND TRUTH-IN-NEGOTIATIONS CERTIFICATE

The AUDITOR hereby certifies, covenants and warrants that wage rates and other factual unit costs as shown in attached documentation supporting the compensation are accurate, complete and current as of the date of this Contract. It is further agreed that said price shall be adjusted to exclude any significant sums where CFX shall determine the price was increased due to inaccurate, incomplete or non-current wage rates and other factual unit costs. All such adjustments shall be made within one year following the date of final billing or acceptance of the work by CFX, whichever is later.

26. SURVIVAL OF EXPIRATION OR TERMINATION

Any clause, sentence, paragraph, or section providing for, discussing, or relating to any of the following shall survive the expiration or earlier termination of the Contract:

26.1 Trademarks, service marks, patents, trade secrets, copyrights, publicity, or other intellectual property rights, and terms relating to the ownership, security, protection, or confidentiality thereof; and

26.2 Payment to AUDITOR for satisfactory work performed or for termination expenses, if applicable; and

26.3 Prohibition on non-competition agreements of AUDITOR's employees with respect to any successor of AUDITOR; and

26.4 Obligations upon expiration or termination of the Contract; and

26.5 Any other term or terms of this Contract which by their nature or context necessarily survive the expiration or earlier termination of the Contract for their fulfillment.

27. OBLIGATIONS UPON EXPIRATION OR TERMINATION OF CONTRACT

27.1 Immediately upon expiration or termination of this Contract AUDITOR shall submit to CFX, upon request, a report containing the last known contact information for each subcontractor or employee of AUDITOR who performed work under the Contract; and

27.2 AUDITOR shall initiate settlement of all outstanding liabilities and claims, if any, arising out of the Contract and any subcontracts or vending agreements to be canceled. All settlements shall be subject to the approval of CFX.

28. INSPECTOR GENERAL

AUDITOR understands and shall comply with subsection 20.055(5), Florida Statutes, and to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing pursuant to this section. The undersigned further agrees that any subconsultants and subcontractors to the undersigned participating in the performance of this Contract shall also be bound contractually to this and all applicable Florida statutory requirements.

28. ASSIGNMENT

This Contract may not be assigned without the written consent of CFX.

29. E-VERIFY

AUDITOR shall utilize the U.S. Department of Homeland Security's E-Verify System to verify the employment eligibility of all new employees hired by the AUDITOR during the term of the contract. AUDITOR shall require all of its subcontractors to verify the employment eligibility of all new employees hired by the subcontractors during the term of the Agreement.

30. APPROPRIATION OF FUNDS

CFX's performance and obligation to pay under this Agreement are contingent upon an annual budget appropriation by its Board. The parties agree that in the event funds are not appropriated, this Agreement may be terminated, which shall be effective upon CFX giving notice to the AUDITOR to that effect.

31. NOTICE TO THE PARTIES

Whenever either party desires to give notice unto the other, it must be given by written notice, sent by registered or certified United States mail, with return receipt requested, addressed to the party to whom it is intended, at the place last specified, and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice, to wit:

CFX: CENTRAL FLORIDA EXPRESSWAY CFX
4974 ORL Tower Road
Orlando, Florida 32807
ATTN: _____

AUDITOR: _____

32. EXHIBITS

This Contract references the exhibits listed below.

- Exhibit "A" Scope of Services
- Exhibit "B" Price Proposal
- Exhibit "C" Method of Compensation
- Exhibit "D" Potential Conflict Disclosure Form

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the authorized signatures named below have executed this Contract on behalf of the parties as of the day and year first above written. (*If Contract Amount shown in Article 3 is more than \$50,000 add the following sentence: "This Contract was awarded by CFX's Board of Directors at its meeting on _____, 20__."*)

ACCEPTED AND AGREED TO BY:

AUDITOR

By: _____

Title

ATTEST: _____(Seal)

DATE: _____

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

By: _____
Director of Procurement

Print Name: _____

Date: _____

Approved as to form and execution for the use and reliance by CFX only.

General Counsel for CFX

EXHIBIT D
PRICE PROPOSAL
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391

The Proposer shall complete the attached pages filling in the required information as follows.

The Proposer shall insert its name, address, telephone number and submittal date on page D-2.

The Proposer shall complete page D-3 as required by signing under the appropriate category.

On page D-4, the Proposer shall insert its hourly rates for each classification shown, multiply the rate by the number of manhours shown, calculate and insert the Total Cost for each line item and insert the Total Proposal Amount where indicated. Proposer's comparable classifications can be substituted for those shown and shall be identified, but no additional classifications shall be added.

Proposals shall be submitted only on the forms included in this Exhibit D. Any Proposal in which these forms are not used, are modified without specific direction by CFX or are improperly executed will be considered non-responsive and the Proposal will be subject to rejection. No alternative proposals will be accepted and if submitted will be cause for rejection of the Price Proposal as non-responsive.

The Proposer expressly acknowledges and agrees that its submittal of a Price Proposal constitutes an irrevocable offer to contract with CFX, creating an agreement upon CFX's acceptance of the Price Proposal as meeting the requirements of the Proposal Submittal Requirements.

An original and one (1) copy of this Price Proposal shall be submitted in a sealed envelope, separate from the Technical Proposal. The envelope shall be identified as the Price Proposal and shall include the same information on the outside as shown for the Technical Proposal. Only one copy of the Price Proposal is required to have "original" signatures and unit prices. The "original" Price Proposal shall be so marked. The remaining copy of the Price Proposal can be exact photocopies of the "original".

Price Proposals of shortlisted firms will be opened after evaluation of the Technical Proposals has been completed.

PRICE PROPOSAL
INTERNAL AUDITOR SERVICES
CONTRACT NO. 001391

PRICE PROPOSAL OF

(NAME)

(ADDRESS)

(TELEPHONE NUMBER)

Submitted _____

Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, FL 32807

We, the undersigned, hereby declare that no person or persons, firm or corporation, other than the undersigned, are interested in this Price Proposal as principals, and that this Price Proposal is made without collusion with any person, firm or corporation. We have carefully and to our full satisfaction examined the Scope of Services and Contract included in the RFP package. We hereby agree to furnish all labor, equipment, and materials, as specified in the Scope of Services. We will fully complete all necessary work in accordance with the Scope of Services, Contract and addenda, if any, and the requirements under them for the unit prices shown on the Price Proposal Sheet.

I (We), the undersigned, hereby certify that I (we) have carefully examined this Price Proposal after the same was completed, and have verified each item placed thereon; and I (we) agree to indemnify, defend, and hold harmless CFX against any cost, damage, or expense which it may incur or be caused by any error in my (our) preparation of same.

CORPORATION:

Principal (Proposer)

By: _____
President or Vice President

Attest: _____
Secretary or Assistant Secretary
(Affix
Corporate
Seal)

INDIVIDUAL OR FIRM TRADING AS:

Principal (Proposer)

Signature: _____
Individual or Owner

Witness: _____

Witness: _____

PARTNERSHIP:

Principal (Proposer)

Signature: (1) Co-Partner or General Partner

Signature: (2) Co-Partner or General Partner

Witness: (1) _____

Witness: (1) _____

Witness: (2) _____

Witness: (2) _____

(If Partnership, list names and addresses of each partner on separate sheet and attach.)

CENTRAL FLORIDA EXPRESSWAY AUTHORITY
PRICE PROPOSAL
INTERNAL AUDITOR SERVICES - CONTRACT NO. 001391

ITEM NO.	QUANT.	UNIT	CLASSIFICATION	HOURLY RATE	TOTAL COST
1	300	MANHOURS	MANAGING DIRECTOR	\$ _____	\$ _____
2	710	MANHOURS	DIRECTOR	\$ _____	\$ _____
3	400	MANHOURS	SENIOR MANAGER	\$ _____	\$ _____
4	540	MANHOURS	MANAGER	\$ _____	\$ _____
5	2,600	MANHOURS	SENIOR CONSULTANT	\$ _____	\$ _____
6	400	MANHOURS	CONSULTANT	\$ _____	\$ _____
TOTAL PROPOSAL AMOUNT					\$ _____

EXHIBIT “E”

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

POTENTIAL CONFLICT DISCLOSURE FORM

Note: For review and informational purposes only. Do not submit with Proposal. Upon notification, the awardee shall be required to submit upon return of the executed Agreement.

**CENTRAL FLORIDA EXPRESSWAY AUTHORITY
POTENTIAL CONFLICT DISCLOSURE FORM
(Initial Filing Deadline: July 1, 2017*)**

Name and Title: _____

Company: _____

Address: _____

Phone Number: _____ Email: _____

Relationship to CFX: Board or Committee Member Employee Consultant
(*See instructions)

Actual or Prospective Projects: Wekiva Parkway (S.R. 429)
 S.R. 417/S.R. 528 Interchange Improvements
 S.R. 408 PD&E Study

	Question	Yes	No
1.	Disclosure of Relationships (Refer to Section 348.753(8))		
	Do you have any relationship which affords a current or future financial benefit to you or to your “Relative” or “Business Associate” and which a reasonable person would conclude has the potential to create a prohibited conflict of interest? If yes, check the applicable relationships below and provide full names, addresses, and relationships on page 4 or a separate page.		
1A	Self		
1B	<p>“Relative,” as defined in Section 112.312(21), Fla. Stat., means any individual related to you as:</p> <ul style="list-style-type: none"> • Father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife • In-Laws: father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law • Steps and Halves: stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister • Grands: grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, step great grandchild, • Significant Other: person who is engaged to be married to you or who otherwise holds himself or herself out as or is known as the person whom you intend to marry or with whom you intend to form a household • Roommates: Any other person with the same legal residence as you 		

Name/Company: _____

	Question	<u>Yes</u>	<u>No</u>
1C	<p>“Business Associate,” as defined in Section 112.312(4), Fla. Stat., and CFX Code of Ethics, Section 6-1.01, means</p> <ul style="list-style-type: none"> • any person or entity engaged in or carrying on a business enterprise with you as a partner, joint venture, corporate shareholder where the shares of such corporation are not listed on any national or regional stock exchange, or co-owner of property, (Section 112.312(4), Fla. Stat.) • any person or entity engaged in or carrying on any contractual relationship with a CFX Board member as a principal, partner, joint venture, corporate shareholder where the shares of such corporation are not listed on any national or regional stock exchange, or co-owner of property. The terms also includes any person or entity engaged in or carrying on a business enterprise, any contractual relationship, employment relationship or otherwise engaging in common investment with a CFX Board member as a principal, partner, member, shareholder, owner, co-owner, joint venture partner, or other investor, whether directly or indirectly, whether through a Business Entity or through interlocking Parent Entities, Subsidiary Entities, or other business or investment scheme, structure, or venture of any nature. (CFX Code of Ethics, Sec. 6-1.01) 		
1D	Other (explain)_____		
2.	<p>Disclosure of Lobbyists (Refer to Section 348.753(8), Fla. Stat.) Do you have a “Relative” who is a “Registered Lobbyist”? “Registered Lobbyist,” as defined in CFX Code of Ethics, Part 1, shall mean any person who shall engage in lobbying for compensation for (1) an entity other than his or her employer; or (2) for any entity including his or her employer if a principal function of his or her position is lobbying or governmental relations; and (3) is registered with any local jurisdiction represented on CFX’s Board. If yes, list the full names and addresses of the lobbyist and the lobbyist’s clients on page 4 or a separate page.</p>		
3.	<p>Disclosure of Property Interests within a Project (Section 348.753(8), Fla. Stat.) Do you or any of your “Relatives” (see 1B above), principals, clients, or “Business Associates” (see 1C above) have any interest in real property located within any actual or prospective CFX project? The actual or prospective CFX projects are those listed above. The corridor maps and lists reflecting the ownership of all real property within the disclosure areas, or alignment maps with lists of associated owners, are attached. If yes, check the applicable relationship types and disclose full names and addresses and identify the real property on page 4 or a separate page.</p>		
3A	Self		
3B	“Relative” (see 1B above)		
3C	Principal or Client		
3D	“Business Associate” (see 1C above)		
3E	Other (explain)_____		

Name/Company: _____

	Question	<u>Yes</u>	<u>No</u>
4.	<p>Disclosure of Property Interests Within a One-Half Mile Radius of a Project or a Proposed Corridor (Refer to Section 348.753(8), Fla. Stat.) Do you or any of your “Relatives” (see 1B above), principals, clients, or “Business Associates” (see 1C above) have any interest in real property located within a one-half mile radius of any actual or prospective CFX project or a proposed corridor? The corridor maps and lists reflecting the ownership are attached. If yes, check the applicable relationship types and disclose the full names and addresses and identify the real property on page 4 or a separate page.</p>		
4A	Self		
4B	“Relative” (see 1B above)		
4C	Principal or Client		
4D	“Business Associate” (see 1C above)		
4E	Other (explain) _____		
5.	<p>Solicitation or Acceptance of Gifts (See Section 112.313(2), Fla. Stat.) Have you solicited or accepted anything of value, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that your action or judgment regarding CFX business would be influenced thereby?</p>		
6.	<p>Unauthorized Compensation (Refer to Section 112.313(4), Fla. Stat.) Have you or your spouse or minor child accepted any compensation, payment, or thing of value when you knew, or, with the exercise of reasonable care, should know, that it was given to influence your action regarding CFX business?</p>		
7.	<p>Misuse of Position (Refer to Section 112.313(6), Fla. Stat.) Have you used or attempted to use your position with the CFX or any property or resource which may be within your trust, to secure a special privilege, benefit, or exemption for you or others?</p>		
8.	<p>Conflicting Employment or Contractual Relationship (Refer to Section 112.313(7), Fla. Stat.) Do you have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, CFX, that will create a continuing or frequently recurring conflict between your private interests and the performance of your duties to CFX or that would impede the full and faithful discharge of your duties to CFX, subject to the exemptions set forth in Section 112.313(12) & (15), Florida Statutes?</p>		

Name/Company: _____

	Question	<u>Yes</u>	<u>No</u>
9.	If you are a Board Member, Committee Member, or Employee, answer 9A. If you are a Consultant, answer 9B.		
9A.	<p>For Board Members, Committee Members, and Employees, Certification of Completion of Training:</p> <ul style="list-style-type: none"> • CFX Code of Ethics: Have you read the CFX Code of Ethics and the PowerPoint presentation on the CFX Code of Ethics and do you acknowledge that you understand the CFX Code of Ethics? • Florida Code of Ethics: Have you completed training on the Florida Code of Ethics (codified in Chapter 112, Part III, Florida Statutes) and do you acknowledge that you understand the requirements? • Sunshine Law: Have you completed training on the Public Meetings (Sunshine Law) and do you acknowledge that you understand the requirements? • Public Records Act: Have you completed training on Public Records and do you acknowledge that you understand the requirements? <p>Training modules and materials will be provided. For additional training, view the tutorials available on the website maintained by the Florida Commission on Ethics at http://www.ethics.state.fl.us/Training/Training.aspx.</p>		
9B.	For Consultants, Acknowledgement of Receipt and Review of the CFX Code of Ethics: Have you read the CFX Code of Ethics and do you acknowledge that you understand the CFX Code of Ethics?		

If you answered any of Questions numbered 1 through 8 in the affirmative, provide a detailed explanation below. Attach additional sheets as necessary.

I declare under penalty of perjury that the foregoing is true and correct.

Signature: _____ Date: _____

Name and Title: _____

Return this form by mail, email or fax to: Darleen Mazzillo, Executive Assistant
 Central Florida Expressway Authority
 4974 ORL Tower Road, Orlando, FL 32807
 Phone: 407-690-5310 F ax: 407-690-5034
 Email: Darleen.Mazzillo@CFXWay.com

Name/Company: _____

POTENTIAL CONFLICT DISCLOSURE FORM INSTRUCTIONS

I. OBJECTIVES

“It is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. The public interest, therefore, requires that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist.” § 112.311(1), Fla. Stat.

“Board members, employees, and consultants who hold positions that may influence authority decisions shall refrain from engaging in any relationship that may adversely affect their judgment in carrying out authority business.” § 348.753(8), Fla. Stat. To prevent such conflicts of interest and preserve the integrity and transparency of the Central Florida Expressway Authority (“CFX”) to the public, disclosures must be made annually.

II. TRAINING

The CFX Code of Ethics is available upon request or by visiting CFX’s website located at <https://www.cfxway.com/wp-content/uploads/2015/12/CFX-Ethics-Policy.pdf>. The Florida Statutes are available online at <http://www.leg.state.fl.us/STATUTES/>. Board members, committee members, and employees will receive training modules and materials. Others are encouraged to view the training material available on the website maintained by the Florida Commission on Ethics at: <http://www.ethics.state.fl.us/Training/Training.aspx>.

III. WHEN TO FILE

Each Board Member, Committee Member, and employee shall complete and file the disclosure form upon appointment or hire, upon events that require disclosure, and annually, not later than July 1st.

Each Consultant shall complete and file the disclosure form at the following times: (a) prior to the execution of a contract; (b) upon the occurrence of an event that requires disclosure; and (c) annually, not later than July 1st.

IV. SPECIFIC INSTRUCTIONS FOR CONSULTANTS

Definition of “Consultant.” “Consultant” shall mean an individual who is rendering services to the CFX in the nature of time and effort rather than the furnishing of specific commodities. The term applies only to those professional services rendered by individuals who are independent consultants, providing services that may include, but are not limited to, evaluations, consultations, maintenance, financial, auditing, accounting, legal, engineering, management consulting, educational training programs, public relations, legislative advisors, planning, personnel, research and development studies or reports on the findings of consultants engaged thereunder, and professional, technical and social services. CFX Code of Ethics 6-1.01.

Name/Company: _____

Submit One Form. Consultants that are not sole proprietorships or single-member corporations, should submit one composite disclosure form for the entire entity, rather than one disclosure form per officer or employee. The composite disclosure form should include all officers, directors, managers, or employees who “hold positions that may influence CFX decisions.” Individuals who fall within this category include: (a) all individuals who directly address the CFX Board, any CFX committee, the Executive Director, the Chief Financial Officer, or the Chief of Staff; and (b) the senior officer or officers of the Consultant.

Suggested Practices. Each Consultant shall consider having procedures in place to screen covered employees assigned to the CFX contract for potential personal conflicts of interest, including procedures to prevent personal conflicts of interest, to prohibit use of non-public information accessed through performance of the contract for personal gain, to inform covered employees of their ethical obligations, and to take appropriate disciplinary action in the event of a failure to comply. Each Consultant shall consider having procedures in place to eliminate conflicts imputed to its firm and to insure that its sub-consultants and subcontractors do not have conflicts.

V. COMPLIANCE REVIEW PROCESS

The Ethics Officer shall review all disclosure forms to determine if there is a prohibited conflict. If there is a conflict, the Ethics Officer shall determine if the conflict should be disclosed to the Board and whether the conflict may be waived. If the conflict is not waivable, then the person or entity may be disqualified or required to mitigate the conflict, the contract may be terminated, or the conflict may be escalated to the Florida Commission on Ethics. CFX reserves the right to pursue any other right, remedy, or recourse.

VI. PENALTIES FOR VIOLATION

Penalties for a violation of the Florida Code of Ethics, the Sunshine Law, the Public Records Act, and the CFX Code of Ethics are set forth in the CFX Code of Ethics, the Florida Statutes, or the Florida Code of Ethics.

As to Consultants, penalties for a violation include withholding payments until the violation is cured, reduction of payments, or termination of the contract for cause. If the Disclosure Form is submitted, but is incomplete, CFX has the right to withhold payments pending receipt of an explanation of such omissions or to terminate the contract for cause.

**Internal Auditor Services
RFP Selection Process
Contract No. 001391
February 14, 2018**

Ad to Sentinel	February 14, 2018
Ad Runs in Sentinel	February 18, 2018
Ad Posted to Web Site/Download Documents	February 19, 2018
Deadline for Questions	February 26 2018
Technical Proposals Due	March 5, 2018
Evaluation Committee Meeting to Shortlist	March 19, 2018
Shortlist Notifications	March 19, 2018
Evaluation Committee Interviews	April 3, 2018
Open Price Proposals/Final Ranking	April 3, 2018
Audit Committee Meeting	TBD
Consent Agenda	April 23, 2018
Board Award	May 10, 2018

Committee Members

Joe Passiatore
Michelle Maikisch
Lisa Lumbard
Audit Committee member

EXHIBIT A
PCI COMPLIANCE AUDIT
SCOPE OF SERVICES

1.0 Description

The Auditor shall perform a high-level Payment Card Industry (PCI) Compliance Audit, in accordance with Data Security Standard (DSS) Requirements and Security Assessments Procedures, version 2.0, for Merchant Level 2 Assessment Level 1. The Auditor shall create and complete the Report on Compliance (ROC) using the template and instructions in the PCI Requirements and Security Assessments and the additional instructions and guidance included in the PCI ROC Reporting Instructions to ensure a consistent level of reporting. As required by the Reporting Instructions, all details of the Auditor's findings shall be clearly identified and documented in the appropriate place within the ROC and shall ultimately support the Auditor's findings for each Requirement and Testing Procedure of the PCI DSS. The current assessment expires on November 1, 2013. The final version of the ROC shall be submitted to the Authority no later than October 18, 2013.

2.0 Current Environment:

Devices Subject to Compliance: Approximately 180 – Majority of which are workstations

Network Environment: Completely Segmented

Applications: All In-House Written (Website App, Call Center App, Batch Processing) – No Shrink Wrap Applications

Call Center: 1 Location – Card Not Present; Contractor Supplied Personnel Only – Equipment & Space owned and maintained by OOCEA

Service Center: 2 Locations – Card Present; Contractor Supplied Personnel Only – Equipment & Space owned and maintained by OOCEA

Encryption: End to End Encryption throughout environment

Credit Card Transfers: All through private, leased lines – No Internet Transmission except for clients accessing accounts through website

Detailed information regarding specific operating system and device vendors will be provided upon signature by the Auditor of a non-disclosure agreement.

3.0 Additional Services

Additional services may be assigned to the Auditor in accordance with the Contract and this Scope of Services. No work shall be performed under additional services without prior written authorization from the Authority to the Auditor to perform the work.

End of Scope of Services

1.10 EQUAL OPPORTUNITY STATEMENT

The Orlando-Orange County Expressway Authority, in accordance with the Provisions of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., the Florida Civil Rights Act of 1992, as amended, § 760.10 et seq., Fla. Stat. (1996), and other federal and state discrimination statutes, prohibits discrimination on the basis of race, color, sex, age, national origin, religion, and disability or handicap. The Authority requires and encourages equal employment opportunity for minority and women as employees in the work force.

1.11 CANCELLATION PRIVILEGES

The performance by the Authority of any of its obligations under this RFP and subsequent Contract will be subject to and contingent upon the availability of monies lawfully appropriated for such purposes. If the Authority deems at any time during the term of the Contract that monies lawfully applicable to the Contract are unavailable for the remainder of the Contract term, the Authority will notify the Contractor in writing, whereupon the obligations of the parties herein shall end within thirty (30) days upon giving of such notice and the Contract shall be considered canceled by mutual consent.

2.0 PROPOSAL SUBMISSION

2.1 GENERAL

By submitting a proposal, the Proposer represents that it understands and accepts the terms and conditions to be met and the character, quality, and scope of services to be provided. All proposals and associated forms shall be signed and dated in ink by a duly authorized representative for the Proposer.

2.2 SUBMITTAL REQUIREMENTS

The original and six (6) copies of the Technical Proposal, and one (1) compact disk with an electronic version in pdf format with a resolution of 300 dots per inch (dpi), shall be submitted in a sealed envelope(s), identified as the Technical Proposal, and bearing on the outside the following:

Proposal For: PCI COMPLIANCE AUDIT
Contract No.: 000960
Submitted To: ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY
Submitted By: PROPOSER'S NAME
PROPOSER'S ADDRESS
CITY, STATE, ZIP CODE
PROPOSER'S PHONE NUMBER
PROPOSER'S CONTACT NUMBER AND E-MAIL ADDRESS
DATE SUBMITTED

An original and one (1) copy of the Price Proposal (Exhibit D) shall be submitted in a sealed envelope, separate from the Technical Proposal. The envelope shall be identified as the Price Proposal and shall include the same information on the outside as shown for the Technical Proposal. Price Proposals from shortlisted firms (see 3.3 below) will be opened after evaluation of the Technical Proposals has been completed. Price Proposals from firms not shortlisted will be filed unopened.

The contents of the Technical Proposals and Price Proposals will not be disclosed to the public until after the evaluation and final selection, at which time, under the Florida Public Records Act and the Florida Sunshine laws, materials submitted by a Proposer and the results of the Authority's evaluation will be available for public inspection. Proposers should take note of this as it relates to any proprietary information that might be included in the proposal package. The Authority assumes no liability for disclosure or use of data submitted in response to this RFP for any purpose and may consider that the proposal was not submitted in confidence and, therefore, can be released under the Florida Sunshine laws and the Freedom of Information Act (5 U.S.C. 522).

2.3 TIME AND PLACE OF SUBMITTAL

The original and the required number of copies of the Technical Proposal and Price Proposal shall be submitted to:

Orlando-Orange County Expressway Authority
4974 ORL Tower Road
Orlando, Florida 32807
Attn: Claude Miller
Director of Procurement

Proposals will be received until 1:30 p.m., Orlando local time, on April 12, 2013. Proposals delivered or received after that time and date will be marked as disqualified and will be set aside unopened until after the selection process is complete. Once the selection process has been completed these will be filed as rejected proposals because of a late submittal.

2.4 MODIFICATIONS, RE-SUBMITTAL AND WITHDRAWAL

Proposers may modify previously submitted proposals at any time prior to the proposal due date. Requests for modification of a submitted proposal shall be in writing and shall be signed in the same manner as the proposal. Upon receipt and acceptance of such a request, the entire proposal will be returned to the Proposer and not considered unless resubmitted by the due date and time.

2.5 PROPOSAL REVIEW PROCESS

An Evaluation Committee, hereinafter referred to as the Committee, will be established by the Authority to review and evaluate each Technical Proposal. The Committee will be comprised of at least four persons with background, experience, and/or professional credentials in the service area.

Each member of the Committee will receive a copy of each Technical Proposal and will base his/her evaluation of each proposal on the same criteria in order to assure that value is uniformly established. The Committee will evaluate each Technical Proposal on its own merit without comparison to other proposals submitted. The Committee will assign rating factors based upon the evaluation criteria identified herein.

3.0 PROPOSAL FORMAT

3.1 TECHNICAL PROPOSALS

Proposals shall address each of the sections described below and how the Proposer intends to achieve the desired performance levels. The required information shall be clear, concise and understandable. If examples of reports are submitted, the Proposer shall explain the area being reported on and how the report addresses those issues.

No cost information or prices shall be included in the Technical Proposal. Inclusion of cost information or prices in the Technical Proposal may be sufficient cause for rejection of the submittal. The Technical Proposal shall include the following sections:

A. Executive Summary

The Executive Summary shall be written in non-technical language to summarize the Proposer's overall capabilities and approaches for accomplishing the services specified herein. The Executive Summary shall be limited to no more than three (3) pages.

The certifications from the PCI Security Standards Council for the firm's Qualified Security Assessors (QSA) proposed for assignment to this engagement shall be included under the Executive Summary tab but will not be counted against the three-page limit.

B. Understanding and Approach

The Proposer shall demonstrate its understanding of the project objectives and shall discuss the means by which these objectives will be attained. The Proposer shall include the following information under this tab:

1. A description of the Proposer's approach to this audit engagement.
2. A proposed schedule for performing the key phases of this engagement assuming a July 1, 2013, notice to proceed and a due date for the Report on Compliance (ROC) of October 18, 2013. (Does not count against the page limitation.)

3. A description of Proposer's procedure in monitoring the progress of the audit and communicating same to the client while the audit is in progress.

C. Experience of Firm and Staff

The Proposer shall demonstrate the experience and ability of the firm and staff in conducting and documenting PCI compliance assessments. The Proposer shall include the following information under this tab. If not applicable, the Proposer shall indicate so.

1. The number of PCI Data Security Standards (DSS) assessments the firm has completed and submitted in the past 12 months.
2. The number of past assessments that each of the proposed QSAs has performed in the past 12 months.
3. The length of time that each of the proposed QSAs has been with the firm.
4. If the firm or any of the individual QSAs proposed for assignment to this engagement are currently in remediation within the PCI Security Standards Council quality assurance program.
5. Any previous Report on Compliance for any client that has been rejected during the past 3 years. Provide the reason for rejection.
6. The dates for the last two times the PCI Security Standards Council has audited the firm

The Proposer shall furnish resumes of Proposer's key personnel by classification shown on the Price Proposal (or equivalent classifications) and presently employed by the Proposer who will be assigned to the project. The Managing Director shall have a minimum of five (5) years of specific experience in the services required by the Scope of Services. Proposer's staff shall be identified and past experience of each, as it specifically relates to services required, shall be discussed.

The Proposer shall provide information on the size of the firm, the size of the firm's compliance audit staff, the location of the office from which the work on this engagement is to be performed, the number and classification of the professional staff to be employed in this engagement on both a full-time and part-time basis. The information shall include specific details for the office in which the audit will be conducted.

It is preferred that the office be located in the Orange County Standard Metropolitan Statistical Area (Orange, Lake, Osceola and Seminole Counties). The address of the office shall be provided.

D. Organization and Management

The Proposer shall describe its organization and management policies and their application to ensure accomplishment of the Project requirements. The Proposer shall provide organizational charts which show the entire proposed organizational structure. A description of the Proposer's internal lines of responsibility and authority, and the interface relationships with the Authority and any subconsultants shall be shown.

The Proposer shall submit a staffing plan which clearly illustrates the key elements of the organizational structure proposed to accomplish the services required. Project management and key staff shall be identified.

The Proposer shall describe the expected participation and contribution of the Proposer's top officials in the proposed activities. The Proposer shall provide a definition of responsibility and accountability for specific tasks and functions of key individuals within the Proposer's organization.

The Proposer shall address its quality control program, namely the policies followed to assure a complete, accurate and quality service as it relates to the services required. The program shall specify the method by which project related information is received and processed by the Proposer.

E. M/WBE Participation

The Proposer shall provide a policy statement of non-discrimination and equal employment opportunity and an affirmative action plan within the local office of the firm. The Proposer shall provide evidence of promoting minorities and women to manager and partner levels in the local office. The Proposer shall also indicate the degree to which the firm will subcontract with local minority and women-owned firms in the performance of the audit and consulting services.

F. Required Attachments to Proposal

Submit with the Technical Proposal the completed Conflict/Non-Conflict of Interest Statement and Litigation Statement form, the completed Drug-Free Workforce form, the completed Code of Ethics form, and the Acknowledgment of Addendum form if applicable.

3.2 PRESENTING THE TECHNICAL PROPOSAL

All items in the Technical Proposal shall be bound, punched and inserted in a three-ring binder or in some other manner organized such that portions will not become detached or lost. Tab dividers at

the beginning of each section shall be provided. Duplication or quotation in detail from attached reference materials or marketing information is not necessary provided that a summary is included in the technical section and a clear and easy means to locate references to the information is provided. Font size for the Technical Proposal shall not be less than 10 point. The Proposal shall be limited to fifteen (15) pages, single-sided, exclusive of those items specifically identified above and the following:

- Transmittal Letter
- Front and back cover and divider sections
- Required forms to be completed
- Required certifications to be submitted
- Proposed staff resumes
- References

3.3 INTERVIEW

The three (3) firms with the highest point total after evaluation of the first three criteria in 4.2 below will be shortlisted and requested to sit for an interview with the Committee. The interview will last approximately 30 minutes. Shortlisted firms who fail to participate in the interview will be considered non-responsive and eliminated from further consideration by the Committee. More than 3 firms may be shortlisted at the Committee's option. If less than 3 firms submit responses, the Authority, at its sole discretion, may elect to continue the selection process or re-advertise the project.

During the interview, the Committee will ask questions that will assist the Committee in evaluating the technical capability of the Proposer and key staff to provide the desired services. Only the Proposer's Managing Director and other key staff assigned to this engagement should be present to answer the Committee's questions. No audio/visual presentations will be allowed.

Interviews are tentatively scheduled for April 29, 2013, at the Authority's office. Proposers will be notified by the Authority of the time that the Proposer will be required to appear. The order of the interviews will be determined alphabetically by company name.

4.0 PROPOSAL SCORING

4.1 CRITERIA

Submittals shall demonstrate the firm's understanding of the required services. The submittal shall be sufficiently detailed to enable the Committee to ascertain that the firm understands the requirements and is able to furnish services of the scope and complexity specified. Responses that are limited to a statement of "will comply" or a similar statement, which does not describe how each requirement will be met, will receive no technical credit. Responses which are merely a copy of the stated requirements are not desired and will receive no credit. Discussion of the firm's past experience that is not germane to the specified services should not be included.

4.2 SCORING BY THE COMMITTEE

Scoring of the submittals will be as follows:

Understanding and Approach	25
Experience of Firm and Staff	25
Organization and Management	20
Interview	<u>20</u>
TOTAL	90

PRICE PROPOSAL

Criteria

1. Total Price 10

To be considered responsive to the requirements for the Price Proposal, all required cost items must be entered on the Price Proposal and the summation of these cost items will represent the Proposal amount.

The lowest responsive and responsible Price Proposal will receive the maximum of 10 points. The other Price Proposals will receive scores based on the following formula: $\text{Low Price/Subject Price} \times 10 = \text{Score}$. Example: If ABC, Inc., is the low price at \$100,000 and XYZ, Inc., has a price of \$110,000, the calculation would be: $100,000/110,000 \times 10 = 9.09$ points for XYZ, Inc. ABC, Inc., would receive the full 10 points for being the low price.

TOTAL MAXIMUM POINTS 100

5.0 AWARD OF THE CONTRACT

The Authority intends to award the Contract to the responsible and responsive Proposer whose proposal is determined to be the most advantageous to the Authority taking into consideration the criteria stated herein.

5.1 PROTEST PROCEDURE

Any person who is adversely affected by: (i) the requirements or scope of services contained in this RFP, (ii) a notice of an intended decision, (iii) a notice of decision or decisions by the Authority, or (iv) the Authority Board's selection determination and who wants to protest the requirements or scope of services, the intended decision or decisions or selection decision must comply with the proper procedures in the Orlando-Orange County Expressway Authority's Procedure for Resolution of Protests, Rule Chapter 3-1. Failure to comply with Rule Chapter 3-1 shall constitute a waiver of any protest proceedings. Rule Chapter 3-1 is available for review upon request at the Authority's

**PCI Compliance Audit
RFP Selection Process
Contract No. 001390
February 12, 2018**

Board Authorization to Advertise	February 08
Audit Committee Meeting to select member	February 09 - 21
Ad to Sentinel	March 07
Ad Runs in Sentinel	March 11
Ad Posted to Web Site/Download Documents	March 12
Question Deadline	March 27
Addendum Issuance Deadline	April 05
Technical/Price Proposals Due	April 10
Evaluation Committee Meeting to Shortlist	April 25
Shortlist Notifications	April 26
Evaluation Committee Interviews	May 14
Open Price Proposal	May 14
Ranking	May 14
Audit Committee Meeting to select member	May 15 – May 28
Consent Agenda	May 29
Board Award	June 14

Committee Members

Jim Greer

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

<u>Account Number</u>	<u>2017 Actuals</u>	<u>2018 Budget</u>	<u>2018 YTD Actuals</u>	<u>2018 Annualized Amt</u>	<u>2018 Yr. End Est</u>	<u>2019 Preliminary Bud</u>
05 Toll Collection						
130 Administration						
690 Internal Audit						
53410 Contract Personnel	507,855.15	564,000.00	83,756.76	167,513.52	0.00	0.00
Total Internal Audit	507,855.15	564,000.00	83,756.76	167,513.52	0.00	0.00
Total Toll Collection	507,855.15	564,000.00	83,756.76	167,513.52	0.00	0.00
Grand Total	507,855.15	564,000.00	83,756.76	167,513.52	0.00	0.00