

**Council of
San Benito County Governments
(COG)**

Request for Proposals

Notice is hereby given that the Council of San Benito County Governments (COG) is soliciting proposals as specified herein.

1. Brief description of services sought:

The Council of San Benito County Governments is soliciting auditing services to conduct a Triennial Performance Audit for the three-year period ending June 30, 2012. The Audit shall meet and/or exceed the requirements of Sections 99246(a) of the Public Utilities Code, Title 21 of the California Code of Regulations, including but not limited to sections 6662.5 and 6664.5. The California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities will be the basis for conducting the necessary performance audits.

2. Issuing Department: Council of San Benito County Governments

3. Date Issued: February 16, 2012

4. Proposals are due: Date: March 30, 2012
Time: 4:00 p.m. (no postmarks accepted)

5. Interviews: To be determined

ALL PROPOSALS MUST BE RECEIVED ON OR BEFORE THE DATE AND TIME LISTED ABOVE. A PROPOSAL RECEIVED AFTER THE DATE AND TIME LISTED ABOVE SHALL NOT BE CONSIDERED.

6. Number of copies of a proposal to be submitted: An original proposal and three (3) copies.

7. Exhibits. There are 3 exhibits to this request. The exhibits govern this Request for Proposals and are incorporated as part of this Request for Proposals by this reference.

The following exhibits are incorporated:

Exhibit 1: Detailed Description of Services Sought

Exhibit 2: Standard Contract to be Executed by COG and the Successful Proposer

Exhibit 3: General Provisions Governing the Request for Proposal Process

8. COG Representative: SEND PROPOSALS OR INQUIRIES TO COG
REPRESENTATIVE AT THE ADDRESS BELOW:

Kathy Postigo
Administrative Services Specialist
330 Tres Pinos Rd., Suite C 7
Hollister, CA 95023
kpostigo@sanbenitocog.org
tel. (831) 637-7665
Fax (831) 636-4160

Thank you for your interest.

Kathy Postigo, Administrative Services Specialist

EXHIBIT 1

DETAILED DESCRIPTION OF SERVICES SOUGHT

1. SCOPE OF WORK

The purpose of this Request for Proposals is to identify potential independent Auditors who are qualified to provide the following services:

- a. Perform Triennial Performance Audit for Council of San Benito County Governments for the three-year period ending June 30, 2012. The California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities will be the basis for conducting the necessary performance audits. The Triennial Performance Audit shall include:

- i. Performance Indicator Analysis

Verification of data on key indicators of transit performance as outlined in Section 99246 of the Public Utilities code, as follows:

- Operating cost per vehicle service hour
- Vehicle service hour per employee
- Operating cost per passenger
- Passengers per vehicle service mile
- Passengers per vehicle service hour

The audit shall include consideration of the needs and types of passengers being served, the employment of part-time drivers, and contracting with common carriers of persons operating under a franchise or license to provide services during peak hours. The final project report should contain an explanation of the key indicators compiled, display the indicators in table format, and contain a brief statement of how the audit was conducted. The data should be organized in such a manner that it can serve the management and policy board for review purposes.

- ii. Additional Areas of Interest

The audit shall also include an analysis of the effectiveness and efficiency of the system's organizational structure, vehicle maintenance program, and driver training program.

iii. Determine Compliance with Legal and Regulatory Requirements

The consultant shall review and determine COG's compliance with the Transportation Development Act and related sections of the California Code of Regulations. The specific Code sections for which compliance shall be verified are those specified within the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities. Should the consultant identify instances of non-compliance, a finding regarding the non-compliance shall be made in the audit report.

iv. Follow-Up on Prior Performance Audit Recommendations

The consultant shall review the most recent prior performance audit for the three-year period ending June 30, 2009, and assess COG's implementation of audit recommendations.

v. Deliverables

The consultant shall provide an administrative draft of the audit report to the COG Executive Director for review and comment prior to finalization. Following staff review of the administrative draft, the consultant shall deliver 10 bound copies and one loose-leaf copy of a final written report to COG. The report must be delivered no later than July 23, 2012.

2. SELECTION SCHEDULE

▪ Issue Request for Proposals	February 16, 2012
▪ Proposals Due	March 30, 2012
▪ COG Contract Approval	May 17, 2012
▪ Administrative Draft of Audit	July 23, 2012
▪ Final Audit Report	August 6, 2012
▪ Audit Report Complete	August 24, 2012

3. EVALUATION OF PROPOSALS

The Executive Director and appropriate staff will screen the proposals and interview qualified candidates, if necessary, based on following criteria:

- a. Responsiveness to this Request for Proposals;
- b. Demonstrated understanding of the purpose and the requirements of the project;

- c. The qualifications and experience of the project team directly related to the requirements of this Request for Proposals;
- d. Reference check; and
- e. Cost.

4. CONTENT OF PROPOSALS

- a. Transmittal letter summarizing the proposal should be signed by an official authorized to solicit business and sign contracts.
- b. Brief description of approach to the Triennial Performance Audit process including proposed work program.
- c. Names and qualifications of all professionals who will work on the project, including any subcontractors, and organization chart for this project.
- d. Description of five related projects performed by the proposer, including project description and contact name, address, phone number of client, and the year the work was done.
- e. Project cost proposal for the Triennial Performance Audit, sealed in a separate envelope, with the title of the project and “Cost Proposal” on the outside of the envelope. Present a project budget by task and annual hourly rates for all positions or staff persons expected to work on the project. Hourly rates should indicate overhead rates applied (as appropriate). Once the contract is signed, hourly and other rates shall remain in effect for the duration of the contract unless amended by mutual agreement to allow for cost escalations.
- f. List any past, current or upcoming projects by your firm or professionals that may result in an actual or perceived conflict of interest with this project.

5. DEADLINE FOR SUBMITTALS

The Council of San Benito County Governments must receive one reproducible original and three copies of the proposal by **Friday, March 30, 2012, 4:00 PM**. Proposals not received by that date and time will not be considered and will be returned to proposer.

Please submit proposal to:

Kathy Postigo, Admin. Services Specialist
Council of San Benito County Governments
330 Tres Pinos Rd., Suite C 7
Hollister, CA 95023

6. AWARD OF CONTRACT

Costs of preparation of a proposal shall be borne by the proposer. The Council of San Benito County Governments reserves the right to reject any or all proposals, and to amend the scope of work prior to the contract being signed. This request for proposals does not constitute an offer of employment or contract. The Council of San Benito County Governments may withdraw this request for any reason.

EXHIBIT 2

Standard Contract to be Executed by COG and Successful Proposer

CONTRACT

The COUNCIL OF SAN BENITO COUNTY GOVERNMENTS ("COG") and _____
_____ ("CONTRACTOR") enter into this contract which shall be effective on the date stated in Paragraph 1.

1. Duration of Contract.

This contract shall commence on _____, and end on _____ unless sooner terminated as specified herein.

2. Scope of Services.

CONTRACTOR, for COG's benefit shall perform the services specified on Attachment A to this contract. Attachment A is made a part of this contract.

3. Compensation for Services.

In consideration for CONTRACTOR's performance, COG shall pay compensation to CONTRACTOR according to the terms specified in Attachment B. Attachment B is made a part of this contract.

4. General Terms and Conditions.

The rights and duties of the parties to this contract are governed by the general terms and conditions mutually agreed to and listed in Attachment C. Attachment C is made a part of this contract.

5. Insurance Limits.

CONTRACTOR shall maintain the following insurance policy limits of coverage consistent with the further insurance requirements specified in Attachment C.

- (a) Comprehensive general liability insurance: _____
- (b) Professional liability insurance: _____
- (c) Comprehensive motor vehicle liability insurance: _____

6. Termination.

The number of days of advance written notice required for termination of this contract is _____ days.

7. Specific Terms and Conditions. (check one)

- [] There are no additional provisions to this contract.
- [] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment D. Attachment D is made a part of this contract.

8. Information about Contract Administrators.

The following names, titles, addresses, and telephone numbers are the pertinent information for the respective contract administrators for the parties.

Contract Administrator for COG:

Contract Administrator for CONTRACTOR:

Name: _____

Name: _____

Title: Executive Director _____

Title: _____

Address: 330 Tres Pinos Rd., Suite C 7 _____

Address: _____

Hollister, California 95023 _____

Phone No.: (831) 637-7665 _____

Telephone No.: _____

Fax No.: (831) 636-4160 _____

Fax No.: _____

SIGNATURES

APPROVED BY COG:

APPROVED BY CONTRACTOR:

Name:
Council of San Benito County
Governments

Name:
Title:

Date: _____

Tax I.D. No.:

Date: _____

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office

By: Shirley Murphy, Deputy County
Counsel

Date: _____

ATTACHMENT A
Scope of Services

To be completed by COG and successful proposer

ATTACHMENT B
Payment Schedule

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (check one)

- One month in arrears.
- Upon the complete performance of the services specified in Attachment A.
- The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COG to CONTRACTOR at the address specified in paragraph 7 this contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COG shall pay to CONTRACTOR: (*check one*)

- a total lump sum payment of \$ _____, or
- a total sum not to exceed \$ _____.

for services rendered pursuant to the terms and conditions of this contract and pursuant to any special compensation terms specified in this attachment, Attachment B.

B-4. SPECIAL COMPENSATION TERMS: (check one)

- There are no additional terms of compensation.
- The following specific terms of compensation shall apply: (Specify)

ATTACHMENT C
General Terms and Conditions

C-1. INDEMNIFICATION.

CONTRACTOR and COG each agree to indemnify, defend and save harmless the other party and the other party's officers and employees, from and against any and all claims and losses whatsoever arising out of, or in any way related to, the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnitee in connection with such claims or losses. A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

C-2. GENERAL INSURANCE REQUIREMENTS.

Without limiting CONTRACTOR's duty to indemnify COG, CONTRACTOR shall comply with the insurance coverage requirements set forth in the contract and in this attachment. Those insurance policies mandated by Paragraph C-3 shall satisfy the following requirements:

- (a) Each policy shall be issued by a company authorized by law to transact business in the State of California.
- (b) Each policy shall provide that COG shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or nonrenewal thereof.
- (c) The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming the County of San Benito and its officers, agents and employees as additional insureds.
- (d) The required coverage shall be maintained in effect throughout the term of this contract.

CONTRACTOR shall require all subcontractors performing work under this contract to obtain substantially the identical insurance coverage required of CONTRACTOR pursuant to this agreement.

C-3. INSURANCE COVERAGE REQUIREMENTS.

If required by paragraph 5 of the contract, CONTRACTOR shall maintain the following insurance policies in full force and effect during the term of this contract:

- (a) Comprehensive general liability insurance. CONTRACTOR shall maintain comprehensive general liability insurance, covering all of CONTRACTOR's operations with a combined single limit of not less than the amount set out in paragraph 5 of this contract.

- (b) Professional liability insurance. CONTRACTOR shall maintain professional liability insurance with liability limits of not less than the amount set out in paragraph 5 of this contract.
- (c) Comprehensive motor vehicle liability insurance. CONTRACTOR shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this contract, with a combined single limit of not less than the amount set out in Paragraph 5 of this contract.
- (d) Workers' compensation insurance. CONTRACTOR shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If CONTRACTOR elects to be self-insured, the certificate of insurance otherwise required by this contract shall be replaced with a consent to self-insure issued by the State Director of Industrial Relations.

C-4. CERTIFICATE OF INSURANCE.

Prior to the commencement of performance of services by CONTRACTOR and prior to any obligations of COG, CONTRACTOR shall file certificates of insurance with COG, showing that CONTRACTOR has in effect the insurance required by this contract. CONTRACTOR shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, CONTRACTOR may provide proof of self-insurance meeting requirements equivalent to those imposed herein. CONTRACTOR warrants that CONTRACTOR's self-insurance provides substantially the same protection to COG as the insurance required herein. CONTRACTOR further agrees to notify COG in the event any change in self-insurance occurs that would alter the obligations undertaken in this contract within thirty (30) days of such change.

C-5. RECORDS TO BE MAINTAINED.

CONTRACTOR shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. CONTRACTOR shall contractually require that all of CONTRACTOR's subcontractors performing work called for under this contract also keep and maintain such records. All such records, whether kept by CONTRACTOR or any subcontractor, shall be made available to COG or its authorized representative, or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by COG, its authorized representative, or officials of the State of California.

C-6. RETENTION OF RECORDS.

CONTRACTOR shall maintain and preserve all records related to this contract for a period of three years from the close of the fiscal year in which final payment under this contract is made. CONTRACTOR shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to insure the

maintenance of the records beyond the initial three year period shall arise only if the COG notifies CONTRACTOR of the commencement of an audit prior to the expiration of the three year period.

C-7. TITLE TO DOCUMENTS; COPYRIGHT.

All reports and other materials collected or produced by the CONTRACTOR or any subcontractor of CONTRACTOR shall, after completion and acceptance of the contract, become the property of COG, and shall not be subject to any copyright claimed by the CONTRACTOR, subcontractor, or their agents or employees. CONTRACTOR may retain copies of all such materials exclusively for administrative purposes. Any use of completed or uncompleted documents for other projects by CONTRACTOR, any subcontractor, or any of their agents or employees, without the prior written consent of COG is prohibited.

C-8. INDEPENDENT CONTRACTOR.

CONTRACTOR and its officers and employees, in the performance of this contract, are independent contractors in relation to COG and not officers or employees of COG. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of COG. CONTRACTOR shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this contract. CONTRACTOR further represents to COG that CONTRACTOR has no expectation of receiving any benefits incidental to employment.

C-9. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONTRACTOR further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be used or employed.

C-10. COMPLIANCE WITH APPLICABLE LAWS.

CONTRACTOR shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this contract. This obligation includes, without limitation, the acquisition, and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this contract.

C-11. NONDISCRIMINATION.

CONTRACTOR shall not discriminate in the employment of persons necessary to perform this contract on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.

C-12. BANKRUPTCY.

CONTRACTOR shall immediately notify COG in the event that CONTRACTOR ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.

C-13. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION OF DUTIES.

Except as specifically authorized herein, no rights under this contract may be assigned and no duties under this contract may be delegated by CONTRACTOR without the prior written consent of COG, and any attempted assignment or delegation without such consent shall be void.

C-14. NEGOTIATED CONTRACT.

This contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code Section 1654.

C-15. SEVERABILITY.

Should any provision herein be found or deemed to be invalid, this contract shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this contract are declared to be severable.

C-16. ENTIRE CONTRACT.

This contract is the entire agreement of the parties. There are no understandings or agreements pertaining to this contract except as are expressly stated in writing in this contract or in any document attached hereto or incorporated herein by reference.

C-17. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of this contract.

C-18. TERMINATION.

Either party may terminate this contract, with or without cause, at any time. In order to terminate this contract, the terminating party shall give advance written notice to the other party. The termination shall be effective no earlier than the expiration of the number of days specified in paragraph 6 of this contract. The termination notice shall be made as specified in paragraph C-19, below. In the event of termination, COG shall pay CONTRACTOR for all work satisfactorily performed prior to the effective date of the termination.

C-19. NOTICES.

Notices to the parties in connection with the administration of this contract shall be given to the parties' contract administrator personally, by regular mail, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

- (a) The day the notice is personally delivered to the contract administrator or the office of the party's contract administrator; or
- (b) Five days after the date the notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, with first-class postage fully prepaid; or
- (c) On the day that the notice is transmitted by facsimile to a party's facsimile number specified in paragraph 8 of this contract, provided that an original of such notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, on the same day as the facsimile transmission is made.

C-20. RESPONSIBILITY OF CONTRACT ADMINISTRATORS.

All matters concerning this contract which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective contract administrators or to the party's employee specified, in writing, by the contract administrator. A party may, in its sole discretion, change its designation of its contract administrator and shall promptly give written notice to the other party of any such change.

C-21. MATERIALITY.

The parties consider each and every term, covenant, and provision of this contract to be material and reasonable.

C-22. WAIVER.

Waiver by either party of a breach of any covenant of this contract will not be construed to be a continuing waiver of any subsequent breach. COG's receipt of consideration with knowledge of CONTRACTOR's violation of a covenant does not waive its right to enforce any covenant of this contract. The parties shall not waive any provisions of this contract unless the waiver is in writing and signed by all parties.

C-23. AUTHORITY AND CAPACITY.

CONTRACTOR and CONTRACTOR's signatory each warrant and represent that each has full authority and capacity to enter into this contract.

C-24. BINDING ON SUCCESSORS.

All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of CONTRACTOR. CONTRACTOR and all of CONTRACTOR's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

C-25. CUMULATION OF REMEDIES.

All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

C-26. INDEPENDENT ADVICE.

Each party hereby represents and warrants that in executing this contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this contract and the rights and duties arising out of this contract, or that such party willingly foregoes any such consultation.

C-27. NO RELIANCE ON REPRESENTATIONS.

Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.

C-28. REDUCTION OF CONSIDERATION.

CONTRACTOR agrees that COG shall have the right to deduct from any payments specified in Attachment B any amount owed to COG by CONTRACTOR as a result of any obligation arising prior to, or after, the execution of this contract. For purposes of this paragraph, obligations arising prior to, or after, the execution of this contract may include, without limitation, any property tax, secured or unsecured, which tax is in arrears. If COG exercises the right to reduce the consideration specified in Attachment B, COG, at the time of making a reduced payment, shall give CONTRACTOR notice of the amount of any off-set and the reason for the reduction.

C-29. COUNTERPARTS.

This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

END OF ATTACHMENT C.

End of Exhibit 2.

EXHIBIT 3

General Provisions Governing the Request For Proposals Process

C-1 SUBMITTAL OF REQUEST FOR PROPOSAL PACKAGE.

- (a) Sealed proposals will be accepted until the date and time specified on the Request for Proposals. Use of U.S. Mail will be at the proposer's risk. Proposals received after this date will not be considered. Facsimile transmission of proposals is unacceptable.
- (b) Proposals must be signed by the proposer or by a duly authorized officer of the proposing organization, delivered along with all required documents, sealed and plainly addressed to the agency represented specified on the Request for Proposals.
- (c) All costs of the preparation of a proposal shall be the responsibility of the proposer.
- (d) The original and the number of copies specified on the Request for Proposals must be completed and submitted as outlined herein.
- (e) If a prospective proposer has any questions relating to this Request for Proposals, the questions, in writing, must be received by COG representative seven (7) days before the deadline for proposals. Questions will not be accepted by FAX, telephone or orally. All questions and responses thereto will be distributed to all persons requesting a Request for Proposals package, potential proposers or actual proposers. COG reserves its right to decline to respond to any questions if, in COG's assessment, the information cannot be obtained and shared with all potential persons in a timely manner.
- (f) All materials submitted in response to the Request for Proposal become the property of COG and shall not be returned.

C-2 WITHDRAWAL OF PROPOSALS.

- (a) The proposer may withdraw a proposal by submitting a written request for its withdrawal to a COG representative at any time prior to the proposal submission deadline. The withdrawal shall be signed by the proposer or an authorized agent of the proposer.
- (b) The proposer may thereafter submit a new proposal prior to the deadline. Modifications of a proposal offered in a manner, oral or written, will not be considered after the deadline.

C-3 SELECTION PROCEDURE.

- (a) COG will review proposals and determine which proposers may be called for an oral interview. All others may be eliminated from consideration.
- (b) Proposals will be evaluated on the criteria specified in the Request for Proposals.

- (c) COG will rank the proposals in descending order of preference. COG will then select the preferred proposal. All proposers shall be notified of the proposal which is ranked highest. No other information will be released.
- (d) COG and the highest ranked proposer shall negotiate terms of a contract consistent with the Request for Proposals and the proposal. The successful proposer will be expected to enter into the agreement appended to this Request for Proposals.
- (e) If agreement is not reached within a reasonable time after the highest ranked proposal is selected, COG reserves its right to terminate negotiations with the highest ranked proposer, suspend the process entirely or request new proposals.
- (f) COG reserves the right to reject any and all proposals received pursuant to the Request for Proposals. COG is under no obligation to award any contract.
- (g) There shall be no appeal of any decision of COG, or any COG representative.
- (h) Award of a contract shall not be based on cost alone, but on the strength of qualifications of the proposer and the proposers' capability of providing the services outlined in the Request for Proposals.

End of Exhibit 3.