



STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

MANDATORY USE CONTRACT FOR: FORENSIC ACCOUNTING AND INVESTIGATIVE SERVICES

CONTRACT No.: OT900817

EFFECTIVE DATES: 07/29/16 to 06/30/17

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT900817 that opened on 6/25/16. The evaluation of the bid response(s) has been completed. The bidder(s) listed herein have been determined to be the lowest responsive and responsible bidder(s) and have been awarded a contract for the items(s) listed. The respective bid response, including the [Terms and Conditions for Bidding, Standard Contract Terms and Conditions, and Supplemental Contract Terms and Conditions](#) (Revised 10/2013), special contract terms & conditions, any bid addenda, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Requirements Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to Ohio Department of Commerce, as applicable.

Agencies are eligible to make purchases of the listed supplies and/or services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that agencies will purchase the volume of supplies and/or services as advertised in the Invitation to Bid.

SPECIAL NOTE: State agencies may make purchases under this Requirements Contract up to \$2500.00 using the State of Ohio payment card. Any purchase that exceeds \$2500.00 will be made using the official State of Ohio purchase order (ADM-0523). Any non-state agency, institution of higher education or Cooperative Purchasing member will use forms applicable to their respective agency.

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

Signed: _____
Robert Blair, Director Date

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SPECIAL CONTRACT TERMS AND CONDITIONS

AMENDMENTS TO CONTRACT TERMS AND CONDITIONS: The following Amendments to the Contract Terms and Conditions do hereby become a part hereof. In the event that an amendment conflicts with the Contract Terms and Conditions, the Amendment will prevail.

SUB-CONTRACTING: The services covered under this Contract are to be performed by the awarded Contractor only. Sub-Contracting is not permitted.

DELIVERY AND ACCEPTANCE: Services will be performed as set forth in the Contract and in accordance with Articles S-8, S-9 and S-10 of the Supplemental Contract Terms and Conditions. The location of performance will be noted on the purchase order issued by the participating Agency. Payment for services rendered will occur upon the inspection and written confirmation by the ordering Agency that the services provided conform to the requirements set forth in the Contract. Unless otherwise provided in the Contract, payment shall be conclusive except as regards to latent defects, fraud, or such gross mistakes as amount to fraud.

CONTRACT AWARD: The contract will be awarded to the lowest responsive and responsible Supplier.

EVALUATION: Bids will be evaluated in accordance with Article I-17 of the "Instructions to Suppliers". In addition, the State will use the following calculations to determine total cost: This Bid will be evaluated by multiplying the Hourly Rate for Forensic Accountant by the Estimated Number of Hours; multiply the Hourly Rate for Support Staff by the Estimated Number of Hours multiplied by the number of Support Staff and then add the two totals together to arrive at a total cost.

FIXED-PRICE WITH ECONOMIC ADJUSTMENT: The contract prices(s) will remain firm for the first twelve (12) months duration of the contract. Thereafter, the Supplier may submit a request to increase their price(s) to be effective fifteen (15) calendar days after acceptance by DAS. No price adjustment will be permitted prior to the effective date of the increase received by the Supplier from his suppliers, or on purchase orders that are already being processed, or on purchase orders that have been filled and are awaiting shipment. If the Supplier receives orders requiring quarterly service, the increase will apply to all services made after the effective date of the price increase.

The price increase must be supported by a general price increase in the overall total cost of service, due to increases in the cost of raw materials, labor, freight, Workers' Compensation and/or Unemployment Insurance, reach goal objectives, etc. Detailed documentation, to include a comparison list of the contract items and proposed price increases, must be submitted to support the requested increase. Supportive documentation should include, but is not limited to: copies of the old and the current price lists or similar documents which indicate the original base cost of the product to the Supplier and the corresponding increase, and/or copies of correspondence sent by the Supplier's supplier on the supplier's letterhead, which contain the above price information and explains the source of the increase in such areas as raw materials, freight, fuel or labor, etc.

Should there be a decrease in the cost of the overall total cost of service due to a general decline in the market or some other factor, the Supplier is responsible to notify DAS immediately. The price decrease adjustment will be incorporated into the contract and will be effective on all purchase orders issued after the effective date of the decrease. If the price decrease is a temporary decrease, such should be noted on the invoice. In the event that the temporary decrease is revoked, the contract pricing will be returned to the pricing in effect prior to the temporary decrease. For quarterly services, any decrease will be applied to services made after the effective date of the decrease. Failure to comply with this provision will be considered as a default and will be subject to Provision I.C. "Termination/Suspension" and Provision II. of the "Contract Remedies:" of the "Standard Contract Terms and Conditions".

GENERAL SPECIFICATIONS AND REQUIREMENTS

- I. **BACKGROUND:** The State of Ohio is seeking expertise in forensic accounting and investigative services. The services will include the examination, analysis, and explanation of financial records of individuals and businesses and form opinions about the information based on the evidence. The awarded Contractor will be ultimately responsible for the accuracy and completeness of their work product, methodology and evidence presentation as well as any expert opinions expressed.

Additionally, the Supplier will have knowledge of reconstructing evidence involving financial transactions and knowledge of the rules of criminal procedure in obtaining, perfecting, and preserving such evidence to ensure admissibility in court proceedings; civil and criminal.

The Supplier will have knowledge and ability to apply evidentiary rules and admissibility to all generated work product. The Supplier must possess a sufficient skill set to identify and detail probable cause in financial transactions that used in an affidavit for search warrants or subpoenas.

The Supplier will possess proficiency in proving illicit income/gain with the use of indirect methods such as cash expenditures, source, and application of funds, bank deposits, and net worth.

The Supplier must have a thorough understanding of Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB), business information and financial reporting systems, financial statement analysis, accounting and auditing standards and procedures, evidence gathering and investigative techniques, and litigation processes and procedures, and case management.

- II. **SCOPE OF WORK:** The Supplier shall provide the professional services necessary to perform the following:
- A. Assist counsel in investigating or responding to allegations of fraud or white collar crimes or civil disputes, including but not limited to:
 - 1. Accounting Malfeasance
 - 2. Breach of Contract
 - 3. Breach of Duty
 - 4. Conspiracy
 - 5. Conversion, Unjust Enrichment
 - 6. Embezzlement
 - 7. Fraud, Theft, Employee Dishonesty
 - 8. Money Laundering
 - 9. Wire Fraud
 - B. When requested, the Supplier will provide investigative services on new or existing cases regarding:
 - 1. Calculating and quantifying losses and economic damages
 - 2. Determine cause of loss, i.e., tort or breach of contract
 - 3. Conduct business valuation
 - 4. Audit financial information and records
 - 5. Determine use of proceeds
 - 6. Identify internal or external operatives
 - 7. Asset searches and uncover hidden assets
 - 8. Record & data reconstruction
 - 9. Corporate governance (The Sarbanes-Oxley Act/Public Company Accounting Reform and Investor Protection Act of 2002)
 - C. Investigation & Pre-Trial Assistance
 - 1. Gather facts, interview witness, and obtain relevant data
 - 2. Consolidating all financial and economic data into concise evidence
 - 3. Evaluating strengths and weaknesses of data
 - 4. Identifying merits of the cases
 - 5. Create a strategy for winning litigation
 - 6. Prepare preliminary, case status, and final report
 - 7. Recommend controls and procedures to reduce and eliminate risk of economic loss

GENERAL SPECIFICATIONS AND REQUIREMENTS cont'd

D. Trial Preparation & Expert Witness Testimony

1. Prepare questions for deposition or sworn statement under oath
2. Professionally prepare exhibits for use at trial, mediation, or any type of dispute resolution, including settlement negotiations
3. Analyzing depositions, interrogations and related data
4. Prepare for cross-examination and rebuttal of other party's evidence
5. Provide and deliver clear expert witness testimony
6. Evaluating the credibility and accuracy of opposing expert testimony reports, data, and trial related documents
7. Anticipate and rebut opposing arguments
8. Prepare a trial workbook documenting case and exhibits
9. When requested, attend trials
10. Defend positions and reports created by the Supplier
11. Clearly communicate case position

III. DEFINITIONS:

- A. GAAP-Generally Accepted Accounting Principles
- B. GASB-Governmental Accounting Standards Board
- C. Business Information-primarily as it relates to news, market research, credit and financial information, company and executive profiles, industry, country and economic analysis, and IT research
- D. Financial Reporting-formal records of a business' financial activities. An overview of a business' financial condition in both short and long term.
- E. Evidence- includes everything that is used to determine or demonstrate the truth of an assertion. This includes both circumstantial and direct.
- F. Economic Damages- A type of monetary damages that may be recoverable in a lawsuit.
- G. Tort- The name given to a body of law that addresses, and provides remedies for, civil wrongs not arising out of contractual obligations. A person who suffers legal damages may be able to use tort law to receive compensation from someone who is legally responsible, or "liable," for those injuries. Generally speaking, tort law defines what constitutes a legal injury and establishes the circumstances under which one person may be held liable for another's injury. Torts cover intentional acts and accidents. (Wikipedia)
- H. Breach of Contract- a legal concept in which a binding agreement or bargained-for exchange is not honored by one or more of the parties to the contract by non-performance or interference with the other party's performance. (Wikipedia)
- I. Business Valuation-a process and a set of procedures used to estimate the economic value of an owner's interest in a business.
- J. OPS-Office of Procurement Services

GENERAL SPECIFICATIONS AND REQUIREMENTS cont'd

- I. SUPPLIER QUALIFICATIONS: The Supplier shall demonstrate at least ten (10) years of experience in forensic accounting. The primary Contractor, or Forensic Accountant must hold and maintain at least three (3) of the following credentials, which should be included in the bid response. If not provided as part of the bid response, the Supplier must provide credentials within five (5) calendar days after request/notification by the Office of Procurement Services to do so. Failure to supply the credentials either as part of their bid response or within the time specified herein may deem the Supplier not responsive.
- A. Accredited in Business Valuations (ABV)
 - B. Certified Forensic Financial Analyst (CFFA)
 - C. Certified Fraud Examiner (CFE)
 - D. Certified Internal Auditor (CIA®)
 - E. Certified Public Accountant (CPA)
 - F. Certified Valuation Analyst (CVA)
 - G. Fraud Claim Law Associate (FCLA)
- V. TRAVEL: All travel will be paid at the rates published by the State of Ohio OAC126-1-02 and OBM Travel Rule. Any expenses outside of those listed within this document or outside of the rules will not be paid. All travel reimbursement requests must be accompanied by receipts including company name issuing expense, date of transaction, and breakdown of costs. Any requests submitted without receipts shall not be reimbursed. Lodging will not be paid within a fifty mile radius of Supplier's place of employment or residence.

Any expenses such as supplies, printing, binders, postage, telephone toll charges, or other charges incurred in the normal course of business shall be at the Supplier's expense and should not be included in the invoice to the State.

VI. SUPPLIER REQUIREMENTS:

- A. Supplier agrees to abide by all Standard, Supplemental, and Special Terms and Conditions of this Contract, along with the General Specifications and Requirements. In addition, the Supplier acknowledges the Confidentiality clause located in the Standard Terms and Conditions, Section V-E, along with the Ohio Ethics found in Supplemental Terms and Conditions, Section S-20.
- B. Supplier agrees to respond to any requests within twenty-four hours and provide these services in a timely manner and be responsive and cognizant of the nature of these requests. Any delays in the process could be a risk to any investigation and therefore should be kept to a minimum. At any time should the State believe the time to complete any tasks becomes excessive and the Supplier is unwilling to remedy the situation, the State reserves the right to seek a waiver from OPS to cancel services on current investigation(s). Failure to remedy situations beyond the first occurrence may be cause for termination.

VII. OWNERSHIP OF WORK PRODUCTS AND PRESS RELEASES:

All work products including digital forms produced or created by the Supplier as a result of or related to the performance of work or services under this Contract will be the property of the State.

Any news releases or comments to the media pertaining to this Contract or the related services will not be made without prior approval of the Office of Procurement Services.

PRICE SCHEDULE

OAKS Item ID # 29865 For Hourly Rate Certified Forensic Accountant
OAKS Item ID # 29866 For Hourly Rate Support Staff

Estimated Number of Hours	Hourly Rate for Certified Forensic Accountant	Hourly Rate for Support Staff-Certification Not Required	# of Support Staff
1000	\$150.00	\$100.00	As needed

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

BID CONTRACT NO.: OT900817-1



210693
Farragher Group, LLC.
6020 Meadow Lake Dr.
Medina, OH 44256

TERMS: Net 30 Days

DELIVERY: As Specified

CONTRACTOR'S CONTACT: George Farragher CPA. CFE, CFF

Telephone: (330) 419-8127
FAX: (330) 416-3963
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Preferred remit to:

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