

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Council Members

FROM/PHONE: Bill Underwood/797-1050
Document Prepared by: Bill Underwood/797-1050

SUBJECT: Request for Qualifications

AFFECTED DISTRICT: Town Wide

TITLE OF AGENDA ITEM: Draft Request for Qualifications

REPORT IN BRIEF: Pursuant to Town Council direction the Budget and Finance Department prepared a draft Request for Qualifications (RFQ) for Forensic Audit Services. Please feel free to review the attached request and provide comments to be incorporated into the request for qualification and authorize the Finance Director to solicit responses.

PREVIOUS ACTIONS: Town Council previously discussed hiring a forensic auditor on February 1, 2006.

CONCURRENCES:

FISCAL IMPACT:

Has request been budgeted? No

If yes, expected cost:

Additional Comments:

RECOMMENDATION(S): Motion to approve the RFQ with amendments, if applicable, and authorize the Finance Director to advertise the request for qualification for a forensic auditor services.

Attachment(s):

Request for Qualification

REQUEST FOR QUALIFICATIONS

The Town of Davie is accepting proposals from qualified firms until 2:00 p.m. on, _____, 2006 for:

FORENSIC AUDITING SERVICES, B- .

Complete specifications are enclosed. Any questions concerning this proposal should be directed to Herb Hyman, Procurement Manager, 6591 Orange Drive, Davie, Florida 33314. Phone (954) 797-1016.

Interested parties must submit an original and ten (10) copies of their proposal and a copy on a CD. Sealed proposals should be marked with the name and number and boldly marked "SEALED PROPOSAL". All sealed proposals should be delivered to the Purchasing Division, 6591 Orange Drive, Davie, Florida 33314. Proposals will be opened on or about 2:00 p.m., _____, at the Davie Town Hall. Any proposals received after the specified due date and time will be rejected and returned unopened. This will be a public opening.

The Town of Davie reserves the right to reject any and/or all proposals.

Town of Davie
Herb Hyman, CPPB
Procurement Manager

REQUEST FOR QUALIFICATIONS
FOR FORENSIC AUDITING SERVICES

FOR THE

TOWN OF DAVIE, FLORIDA

DRAFT

REQUEST FOR QUALIFICATIONS

I. INTRODUCTION

The Town of Davie is requesting proposals from qualified firms of certified public accountants to provide forensic audit service.

There is no expressed or implied obligation for the Town of Davie to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, one original and ten (10) copies of a proposal and a copy on a CD shall be delivered to the Purchasing Division at 6591 Orange Drive, Davie, Florida 33314 prior to the opening time of 2:00 P.M. on _____, 2006.

The delivery of proposals to the Town of Davie Purchasing Division prior to the specified date and time is solely and strictly the responsibility of the proposing firm. The Town shall not, under any circumstances, be responsible for delays caused by the United States Postal Service or any private delivery service, or for other delays. All responses must be manually and duly signed by an authorized corporate officer, principal, or partner with the authority to bind said firm.

All responses must be marked on the outside:

“Proposal to Provide Forensic Auditing Services for the Town of Davie, Florida B-”

Late submission shall be returned unopened to the firm with the notation: “The proposal was received after the delivery time designated for the receipt and opening of the proposals.” The Town reserves the right to reject any or all proposals, or any part of any proposals, to waive any informality, and to make an award that is in the best interest of the Town of Davie.

II. NATURE OF SERVICES REQUIRED

A. *Scope of Services*

The special-purpose audit should be conducted in accordance with the following guidance, as applicable: the *Statement on Auditing Standards* (SAS) 54, *Illegal Acts by Clients*; SAS 99, *Consideration of Fraud in a Financial Statement Audit*; *Management Antifraud Programs and Controls* (an attachment to SAS 99).

The forensic auditing procedures will include a fraud vulnerability assessment to identify areas deemed to be vulnerable to fraud or abuse in order to assess the extent, if any, to which such vulnerabilities may have been exploited over the past _____ years. Areas deemed to be vulnerable by the selected firm, and/or areas specifically identified by the Town, may be subject to detail test work. Such test work shall be agreed to by the firm and the Town via written agreed upon procedures prior to initiation of work on each area.

One area the review will include, but not necessarily be limited to, is an evaluation of the internal controls for procedures for procuring and paying for goods and services.

B. Deliverables

The audit firm will be available to provide an oral briefing to the Town Council when requested. The auditor will deliver a concisely written report to the Town Council that clearly details results of audit procedures performed to include:

1. Recommendations regarding any additional audit or fraud examination work that may be needed to determine the impact (magnitude and duration) of any fraud that may have occurred in areas assessed as having more than a low level of risk for fraud. Specific information in support for the recommendations should be provided as well as a clearly defined strategy for executing the additional audit or fraud examination work recommended. Provide cost estimates for further testing to determine if such vulnerabilities may have been exploited;
2. Any related or similar processes or situations that exist that may be allowing similar asset misappropriations to occur;
3. Any other recommendations arising from the auditor's work, such as recommendations to eliminate or minimize weaknesses or practices which might lead to unintentional errors or waste.

III. DESCRIPTION OF GOVERNMENT

A. Town Contact

The forensic auditor's principal contact with the Town of Davie during the proposal process will be Herb Hyman, Procurement Manager (954)-797-1016. During the forensic audit, the principal contact will be Carol Menke, Deputy Budget and Finance Director (954) 797-1050.

The proposing firm may not solicit, lobby, or contact any member of the Town Council or Selection Committee (other than Herb Hyman) from the time the RFQ is issued until final ratification of the contract by the Town Council with the exception of any Town requested oral presentations and the negotiation process. Violation of this provision will be grounds for disqualification of the proposing firm.

B. Background Information

The Town of Davie is a Town Administrator/Council form of government. It serves an area of approximately 35 square miles with a population of approximately 82,600. The Town's fiscal year begins October 1 and ends September 30th.

In October 2005 it was discovered that a vendor provided false information on some invoices to the Town Administrator's department and the invoices were approved and paid. Other fraudulent items were preapproved and prepaid. It was determined that the fraud began several years earlier. A report was made to the Mayor, Town Council, law enforcement, Town Attorney and other appropriate agencies for action. The previous Town Administrator was charged and is currently awaiting arraignment and trial.

The Finance Department has taken significant steps to improve internal controls and continues investigation to identify and expose fraudulent activity. The Town Council is very concerned about the nature and magnitude of additional frauds and wishes to fulfill its fiduciary responsibilities by carrying out a cost-effective comprehensive assessment of areas deemed vulnerable. Commencement and completion of the audit in a timely manner is of the greatest importance to the Town Council.

C. Availability of Prior Reports

Interested proposers who wish to review prior years' Comprehensive Annual Financial Reports and management letters should contact Herb Hyman at (954) 797-1016. A consulting firm is currently reviewing, documenting, and making recommendations regarding the Town's procurement system.

IV. PROPOSAL REQUIREMENTS

The following material should be submitted for a proposing firm to be considered:

One marked original and ten (10) photocopies and CD of the proposal to include the following:

Provide responses to the following requests. The responses should be numbered to correspond with each request.

1. Indicate the number of people (by level) located within the engagement office that will handle the audit, the organization of the audit team, and the approximate percentage of time spent on the audit by each member.
2. Provide a list of the engagement office's current and prior government and fraud examination audit clients, indicating the type(s) of services performed, and the number of years served for each.
3. Indicate the experience of the engagement office in providing additional services to government clients, in particular experience in performing fraud examinations and forensic accounting, by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review and the letter of comments as well as your response, if any.
5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level person will be on site.
6. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include continuing professional education, seminars, and courses attended within the past three years, especially those courses in fraud examination and forensic accounting. Relevant

governmental accounting, auditing, and financial reporting courses should also be cited.

7. Describe the professional experience of assigned individuals in auditing relevant government or similar organizations, programs, activities, or functions.
8. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference.
9. Identify any potential types of conflicts of interest (fact or appearance) with the Town of Davie or any other party associated with this special audit engagement.
10. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
11. Describe any regulatory action taken by any oversight body against the proposing audit organization, local office, or individual of the engagement team.
12. Describe assistance expected from the Town staff.
13. Provide a straightforward, concise description of the proposer's capability to satisfy the requirements of the RFQ.
14. Independence
The firm should provide an affirmative statement that it is independent of the Town of Davie as defined by generally accepted forensic auditing standards and the U.S. General Accounting Office's Government Auditing Standards.
15. License To Practice In Florida
An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered and licensed to practice in the State of Florida.
16. Insurance Requirements
An affirmative statement should be included indicating that the firm can and will comply with the insurance requirements as enumerated in this RFQ.
17. Completion of all Attachments, A-D.

V. EVALUATION PROCEDURES

A. Selection Committee

Proposal submitted will be evaluated by a Selection Committee. Short listed firms may be required to make an oral presentation to the Selection Committee, which may be the Town Council.

B. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for qualifications unless clearly and specifically noted in the proposal

submitted and confirmed in the contract between the Town of Davie and the firm selected.

The Town reserves the right to award the contract to the proposer who will best serve the interest of the Town. The Town reserves the right without prejudice, based on its deliberations and in its opinion, to accept or reject any or all proposals. The Town also reserves the right to waive minor irregularities or variations to the specifications and in the proposal process.

VI. GENERAL TERMS AND CONDITIONS

1. **GENERAL:** All Terms and Conditions as stated herein shall apply. No additional Terms and Conditions included with the proposer's response will have any force or effect unless agreed to in writing by the Town. It is understood and agreed that the Terms and Conditions in this document are the only Terms and Conditions applicable to this proposal and the proposer's authorized signature on the proposal form attests to this understanding.
2. **PUBLIC ENTITY CRIMES:** Pursuant to F.S. 287.133, as amended, 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 proposal on a Contract to provide any goods or services to a public entity, may not submit a proposal on a Contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a proposer, supplier, sub-proposer, 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 F.S. 287.017 for category two for a period of 36 months from the date of being placed on the convicted vendor list. Any person who submits in violation shall be automatically deemed non-conforming and therefore ineligible.
3. **ANTI-COLLUSION:** The proposer certifies that it has not divulged, discussed or compared its proposal with other proposers, except subproposers if they form part of the response and has not colluded with any other proposer or parties to a proposal whatsoever. No premiums, rebates or gratuities are permitted either with, prior to, or after any delivery of material or service. Any violation of this provision will result in the cancellation and/or return of materials (to the greatest extent possible) and removal from the proposer's list.
4. **MULTIPLE PROPOSALS:** More than one proposal from an individual, firm, partnership, corporation, or association under the same or different names will not be considered. Such a circumstance will lead to rejection of all responses in which the proposer is involved except for sub-proposers as specified in clause 3. If there is reason to believe that collusion exists between proposers, those parties' proposals will be rejected and deemed for Town purposes to be a conviction of a public entity crime.

This provision is not meant to prohibit submission of "alternate" proposals which are being offered as options for consideration within the same proposal.

5. **CONFLICT OF INTEREST:** All proposers must disclose in their proposals, the name of any of their employees, agents, or any family members of their employees or agents who are either elected officials or employees of the Town and the nature of the relationship. Further, all proposers must disclose the name of any Town employee known to them, who owns, directly or indirectly, an interest of five (5%) percent or more in the firm, its subsidiaries or affiliates and the nature of the relationship. Additionally, if vendor employs a previously elected official of the Town within one year of that official leaving office, then this shall also be disclosed in the response.
6. **PUBLIC RECORDS:** Any material submitted in response to this Request For Proposal will become a public document pursuant to Section 119.07, F.S. This includes material which the proposer might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Section 119.07, F.S.
7. **FACILITIES:** The Town reserves the right to inspect the proposer's facilities at any reasonable time during normal working hours, with prior notice, to determine that the proposer has a bona fide place of business, and is a responsible proposer.
8. **ADVERTISING:** In submitting a proposal, the proposer agrees not to use the results there from as a part of any commercial advertising without the prior written consent of the Town.
9. **INTERPRETATIONS:** All proposers shall carefully examine the proposal documents. Any ambiguities, inconsistencies or questions concerning the intent, meaning and interpretations of the Town's RFP shall be brought to the attention of the Procurement Manager, in writing, at least five (5) days prior to the opening of proposals; failure to do so on the part of the proposer will constitute an acceptance by the proposer of any interpretation by the Town and any decision based on these interpretations.

No Town personnel are authorized to give oral interpretations of, or make oral changes to the RFP, and the proposer is hereby instructed not to rely on such interpretations, if given. Therefore, oral statements given before the proposal opening will not be binding. Any interpretation of, or changes to the RFP will be made in the form of written Addendums to the RFP and will be furnished to all proposers.
10. **EMPLOYEES:** Employees of the proposer shall at all times be under its sole direction and not be an employee or agent of the Town. The proposer shall supply competent employees. The Town may require the proposer to remove an employee or sub-proposer it deems careless, incompetent, insubordinate or otherwise objectionable without any cost to the Town or without any increase in Contract Price. Proposer shall be responsible to the Town for the acts and omissions of all employees working under its direction whether or not the actions taken go beyond the normal scope of employment.
11. **SUBPROPOSER:** proposer shall not be allowed to subcontract any subsequent Contract unless it first receives the express written permission of the Town. Town may exercise its right to accept or reject a sub-proposer in its sole discretion, whether

reasonably or unreasonably. In any approved subcontract, the proposer shall make sure the terms and conditions of any subsequent Contract with the Town are incorporated into its contract with the subproposer.

If a sub-proposer is used, and the sub-proposer fails to perform the work or make progress, as required by any subsequent Contract, and it is necessary to replace the sub-proposer to complete the work in a timely fashion, then proposer shall promptly do so, subject to acceptance of the new sub-proposer by the Town. However, no delay by the sub-proposer shall suffice as a cause for delay in the completion date of the work to be performed under any subsequent Contract.

12. ASSIGNMENT: Any Contract or Purchase Order issued pursuant to this proposal invitation and the monies which may become due hereunder are not assignable, in whole or in part, without the consent of the Town.
13. INDEMNIFICATION: proposer shall hold the Town, its elected officials, employees and representatives harmless from, and indemnify the Town for any and all claims, liabilities, damages, costs and expenses, including attorney's fees, expenses and court costs which the Town, its elected officials, employees and representatives might suffer or be held liable by virtue of a claim made against the Town, its elected officials, employees and representatives on account of any act or omission of the proposer or any employees, agents or sub-proposers provided by the proposer, whether or not such claim is well taken.
14. INSURANCE: Contractor agrees to comply with the requirements of this section and to include in its contract with the successful contractor(s) the requirements contained in this Agreement. Further, Contractor agrees that prior to implementation of this Agreement they shall provide Town with Certificates of Liability Insurance evidencing Contractors compliance with the Insurance Requirements section.

INSURANCE REQUIREMENTS

- a. Contractor shall obtain and maintain the following insurance coverage's with the listed coverage limits throughout the extended life of this agreement from an insurance company which is AMBEST "A Rated" or better:

1. Commercial General Liability - \$ 500,000
2. Automobile Liability - \$ 300,000
3. Products – Completed Operations - \$ 500,000
4. Workers' Compensation - Florida Statutory Limits (Minimum)
5. Employers Liability - \$ 500,000

Liability coverage's shall be on an occurrence basis and shall reflect a combined single limit as shown above. Coverage must be issued following wording in the latest edition of the ISO Comprehensive General Liability policy and without restrictive endorsements.

- b. Contractor shall require their insurance Agent or Carrier to provide the Town with a Certificate of Liability Insurance on a standard ACORD form or equivalent form showing the policy Effective Date and Expiration Date for each of the above listed coverage's and shall replace any expiring certificates with new certificates

throughout the life of this agreement and any required extended coverage period. Each such Certificate of Insurance shall be sent to and shall list the following as the Certificate Holder:

Town of Davie
Attn: Procurement Manager
6591 Orange Drive
Davie, FL 33314

- c. Each such Certificate shall include the following wording: **“the Town of Davie, its officers, and employees are named as additional insured’s with respect to the work performed under this agreement”**.
 - d. Each such Certificate of Insurance shall provide for **30 days prior** written notice to the Certificate Holder of any cancellation prior to the expiration date of the coverage’s listed on the certificate.
 - e. Contractor shall require any sub-contractors to comply with these requirements in the same manner that Contractor is required to comply or Contractor shall provide for “General Contractors Insurance” coverage that provides the above coverage’s for themselves as well as any subcontractor working under them.
 - f. Nothing in this Agreement shall be construed to affect in any way the Town’s rights, privileges, and immunities, including sovereign immunity as provided by law as set forth in Florida Statute 768.28.
15. **TERMINATION:** Any contract resulting from this Request For Proposal or a response thereto may be cancelled by the proposer upon ninety (90) days prior written notice to the Town’s representative in the event of substantial failure by the Town to perform in accordance with this Contract through no fault of the proposer, however, if the Town has cured the complaint within the ninety (90) day period, the proposer shall lose the right to terminate this agreement.

During the contract period, the Director of Budget and Finance shall assess the auditor’s performance. In the event of a breach of the contract by the auditor or unsatisfactory performance as assessed by the Director of Budget and Finance, in her or his sole discretion, or if the auditor performs in a manner which precludes the Town from administering its function in an effective or efficient manner, and if after thirty (30) days following written notice hereof, the auditor has been unable to remedy such breach, or provide a satisfactory performance level, then the Town shall, upon written notice to the auditor, be authorized to cancel the contract, thereafter reserving the right to proceed against the auditor for breach.

Unless the proposer is in breach of this Contract, the proposer shall be paid for services rendered to the Town’s satisfaction through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the Town, the proposer shall:

- A. Stop work on the date to the extent specified.
 - B. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
 - C. Transfer all work in process, completed work and other materials related to the terminated work to the Town.
 - D. Continue and complete all parts of the work that have not been terminated.
 - E. In the event that the proposer defaults on the Contract or the Contract is terminated by the Town for cause due to performance, the Town reserves the right to obtain the materials or services from the next proposer of its choice or other source during the remaining term of the Contract. Under this arrangement the Town will charge and bill the proposer any excess cost occasioned or incurred thereby.
16. ADJUSTMENTS/CHANGES/DEVIATIONS: No adjustments, changes, or deviations shall be accepted on any item unless conditions or specifications of a proposal expressly so provide. All adjustments, changes or deviations shall require prior written approval, and shall be binding only if issued through the Budget and Finance Department.
17. AWARDS: As the best interest of the Town may require, at the Town's sole discretion, the Town reserves the right to reject the proposal of any proposer who has previously failed in the proper performance of an award; who has failed to deliver on time contracts of a similar nature or who is not in a position to perform properly under an award.

The Town may make award(s) by individual item, group of items, "all or none", or a combination thereof with one or more proposers. The Town in its sole discretion reserves the right to reject any or all proposals, or waive any minor irregularity or technicality in proposals received.

Proposers are cautioned that Town Staff may act only through the Town Council; therefore, the proposer should not rely on any representation by the Town other than as approved by official action of the Town Council. Therefore, the proposer should make no assumption of an award until the Town has entered into a Contract. The Town shall not be liable for any damages or costs which are incurred by the proposer as a result of proposers' reliance on any non Town Council award.

18. ANNUAL APPROPRIATION: Any contract resulting from a Request For Proposal or a response thereto is conditional upon the Town having funding to implement the Contract.
19. CONTRACTUAL AGREEMENT: The terms, conditions, and provisions in this Request For Proposal shall be included and incorporated in any final Contract.

The venue of any legal action resulting from this proposal and any subsequent Contract shall be Broward County, Florida.

20. **DISCRIMINATION:** An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide 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 on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity.

DRAFT

ATTACHMENT 'C'
CERTIFICATION

The undersigned declares to have specific and legal authorization to obligate its institution to the terms of this Proposal and hereby agrees to furnish the items(s)/services(s) described in the Request for Proposal. I(We) have read the entire document, including the General Information, General Terms and Conditions, and Scope of Work. The undersigned agrees to comply with all of the requirements of the entire Request for Proposal exclusive of those indicated in Attachment "A" Variations section.

Indicate proposer's type of organization below:

INDIVIDUAL PARTNERSHIP CORPORATION OTHER

IF OTHER, EXPLAIN:

Audit Firm

Authorized Signature

Address

Typed/Printed Name

City State ZIP

Title

Telephone Number

Federal Tax ID

Fax Number

ATTACHMENT 'D'
VENDOR/BIDDER DISCLOSURE

I, _____, being first duly sworn state that: The full legal name and business address of the person(s) or entity contracting with the Town of Davie ("Town") are as follows (Post Office addresses are not acceptable):

Name of Individual, Firm, or Organization: _____

Address: _____

FEIN _____

State and Date of Incorporation _____

OWNERSHIP DISCLOSURE AFFIDAVIT

1. If the contract or business transaction is with a corporation, the full legal name and business address shall be provided for each officer and director and each stockholder who directly or indirectly holds five percent (5%) or more of the corporation's stock. If the contract or business transaction is with a trust, the full name and address shall be provided for each trustee and each beneficiary. All such names and address are as follows (Post Office addresses are not acceptable):

Names, Addresses, and Titles of Individual Who Will Lobby:

Full Legal Name	Address	Ownership
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

2. The full legal names and business addresses of any other individual (other than subcontractors, materialmen, suppliers, laborers, and lenders) who have, or will have, any legal, equitable, or beneficial interest in the contract or business transaction with the Town are as follows (Post Office addresses are not acceptable):

Full Legal Name	Address
_____	_____
_____	_____
_____	_____

By: _____
Signature of Affiant

Date: _____

Print Name

SUBSCRIBED AND SWORN TO or affirmed before me this _____ day of _____
200__, by _____, he/she is personally known to me or has
presented _____ as identification.

Notary Public, State of Florida at Large

Print or Stamp of Notary

Serial Number

My Commission Expires: _____

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	
	<input type="checkbox"/> Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

OR

Employer identification number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.