



Notice to Service Providers

Audit Services #1012

A **Formal Request for Proposal** for the above work is posted on our city website: <https://www.stcharlesil.gov/bids-proposals>

Brief Description:

The City of St. Charles is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending April 30, 2019 through April 30, 2023. These audits are to be performed in accordance with generally accepted auditing standards.

Targeted Timeframe *(subject to change without notice)*

RFP published	https://www.stcharlesil.gov/bids-proposals	Wednesday, November 14, 2018
Questions due prior to 8:00am	Procurement@stcharlesil.gov	Tuesday, November 27, 2018
Answers published	https://www.stcharlesil.gov/bids-proposals	Thursday, November 29, 2018
Responses to RFP due prior to 2:00pm	reference sealed bid label	Thursday, December 6, 2018
There will not be a public opening.		
Publication of Proposers	https://www.stcharlesil.gov/bids-proposals	Thursday, December 6, 2018
Invitations to Interview	notification via e-mail	week of December 17, 2018
Interviews	2 East Main St; St. Charles, IL	Tuesday, January 8, 2019 and Wednesday, January 9, 2019
Council Award		late January 2019
<i>A Bid Bond of 10% is NOT required.</i>		

Service Period:

May 1, 2019 – April 30, 2023 (5 years)

Optional Renewal: 1 or 2 years

Solicitation Document includes:

- Notice to Service Providers
- Section 1: Instructions to Proposers for Professional Services
- Section 2: Special Provisions for Professional Services
- Section 3: **Requirements and Specifications**
- Section 4: Proposal Response Documents
 - Page 1: Response Cover Page
 - Page 2: Response Signature Page
 - Page 3: Response Price Proposal Page
 - Page 4: Certification of Compliance
 - Page 5: **Response Requirements**
 - Page 6: Customized Mailing Label for Sealed Submittal
- Section 5: Award Document

Instructions to Proposers for Professional Services

Solicitations are open to all qualified firms actively engaged in providing the services specified and inferred.

SOLICITATION PROCESS

Request for Proposal:

- 1) The City of St. Charles solicits qualified firms for Professional Services.
- 2) Firms are qualified based on either
 - a) A public formal Request for Qualifications which may be either a separate solicitation or incorporated within a Request for Proposal
 - b) Prior experience with the City's facilities, equipment, infrastructure, or issue at hand.
- 3) A formal Request for Proposal is submitted to qualified firms.
- 4) It is the responsibility of the Proposer to seek clarification of any requirement that may not be clear. Questions concerning this request shall be submitted via e-mail to Procurement@stcharlesil.gov by the last date for questions as reflected on the cover page of this document. A written response in the form of an addendum will be published by the date stated.
- 5) Proposers shall acknowledge the receipt of any addendum on the cover page of their proposal (*provided*).

The Cone of Silence:

- 6) The Cone of Silence is designed to protect the integrity of the procurement process by shielding it from undue influences.
- 7) During the period beginning with the issuance of the Request for Proposal through the execution of the award document, proposers are prohibited from all communications regarding this request with City staff, City consultants, City legal counsel, City agents, or elected officials.
- 8) Any attempt by a proposer to influence a member or members of the aforementioned may be grounds to disqualify the proposer from participation in this solicitation.

Exceptions to the Cone of Silence:

- 9) Written communications directed to Procurement@stcharlesil.gov
- 10) All communications occurring at pre-bid meetings
- 11) Oral presentations during finalist interviews, negotiation proceedings, or site visits
- 12) Oral presentations before publicly noticed committee meetings
- 13) Contractors already on contract with the City to perform services for the City are allowed discussions necessary for the completion of an existing contract.
- 14) Procurement of goods or services for Emergency situations

INVESTIGATION:

- 15) It shall be the responsibility of the Proposer to make any and all investigations necessary to become thoroughly informed of what is required and specified.
- 16) If a work site is involved in this solicitation, and the site of the work is:
 - a) An area restricted from the general public, an opportunity will be provided for proposers to perform this inspection.
 - b) An area open to the general public, the proposer may perform their inspection at a time of their choosing.

PROPOSALS:

- 17) Proposals must be structured as stated in the Special Provisions for Professional Services section of the Request for Proposal.
- 18) Documents should not utilize binders, folders, tabs or papers larger than 8.5 X 11.
- 19) Delivery of a proposal is acceptance of the City's Contract for Professional Services (*attached*). Proposals containing terms and conditions contrary to those specified may be considered non-responsive.

Signatures as Offer:

- 20) Under the conditions of the Uniform Commercial Code, the signing of the proposal by the proposer constitutes an offer. If accepted by the City, the offer becomes part of the contract.
- 21) Signatures (*reference signature page*) by
 - a) Individuals or sole proprietorships shall be signed by a person with the authority to enter into legal binding

contracts. Said individual shall use his usual signature.

- b) Partnerships shall be signed with partnership name by one of the members of the partnership, or an authorized representative, followed by the signature and title of the person signing.
- c) Corporations shall be signed with the name of the corporation, followed by the signature and title of person authorized to bind it in the matter.

Withdrawal of Offers:

- 22) Offers may be withdrawn at any time prior to the due date. Requests to withdraw an offer shall be in writing, properly signed, and received at Procurement@stcharlesil.gov prior to the due date.
- 23) Offers may not be withdrawn after the due date without the approval of the Procurement Division Manager.
- 24) Negligence in preparing an offer confers no right of withdrawal after opening/due date.

Timeframe and Consequences:

- 25) Offers must be received before the designated time.
- 26) Offers received after the designated time will be returned to the sender without review. Offers received late that may be attributed to delays by overnight delivery services, or by delivery services trying to deliver when offices are closed, will be considered late and returned to the sender.
- 27) Unless otherwise specified in the solicitation, offers shall be binding for ninety (90) calendar days following due date.

Receipt of Formal Offers:

- 28) Firms submitting formal offers will be identified on a formal List of Proposers published on the city's website www.stcharlesil.gov within two business days.

TAXES:

- 29) The City is exempt by law from paying sales tax on goods, equipment, and products permanently incorporated into the project, from State and City Retailer's Occupation Tax, State Service Occupation Tax, State Use Tax and Federal Excise Tax.
- 30) The City's Sales Tax Exemption Number is E9996-0680-07.

EVALUATION of Offers

Rejection of Offers

The city reserves the right to reject any and all offers in whole or in part according to the best interests of the City.

Receipt of One (or too few) offers

- 31) If the City receives one or too few proposals, as defined by the City, the City may reschedule the due date. The offers received will either be:
 - a) returned unopened to the Proposer for re-submittal at the new due date and time, or
 - b) if there are no changes in requirements, and pending agreement with the Proposer, held until the new due date and time.
- 32) If the request was publicly broadcast, and the City did not receive any proposals, the City may negotiate with any interested parties.

Confidential Information

- 33) Proposals are subject to Illinois State FOIA requirements including the following exemptions:
 - a) (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7.
 - b) Exemptions. (1) The following shall be exempt from inspection and copying: (g) Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business and only insofar as the claim directly applies to the records requested.
- 34) ***Proposers considering requests to be proprietary and confidential should submit an additional redacted offer. Failure to do so may result in information becoming available to the public.

REQUIREMENTS if Awarded the Work:

Insurance:

- 35) The successful Proposer, if awarded by contract, will be required to carry insurance acceptable to the City. (Reference Contract Exhibit C).
- 36) Certificates of Insurance, Endorsements, and a Waiver of Subjugation must be submitted with the execution of the order.
- 37) The Proposers obligation to purchase stated insurance cannot be waived by the city's action or inaction.

Security Clearance:

- 38) Background checks inclusive of finger printing MAY be required for service providers working in secured areas. Service providers will submit a list of employees' names to the Project Manager who will coordinate the background checks with the city's police department.
- 39) Anyone with a background history showing a conviction for a felony; theft history of any kind, sex offense history, or any crime involving moral turpitude, illegal drug or narcotics use, sale or possession, or anyone showing a felony charge pending, or who has any outstanding warrants of any type, including misdemeanor traffic or felony warrants, may be subject to arrest, and will not be allowed to work under this contract.

AUDIT:

- 40) The successful Proposer may be audited by the City or an agent of the City. Audits may be at the request of federal or state regulatory agencies, other governmental agencies, courts of law, consultants hired by the City or other parties which in the City's opinion requires information. Data, information and documentation will include, but not be limited to, original estimate files, change order estimate files, detailed worksheets, subcontractor proposals, supplier quotes and rebates, and all project related correspondence, and subcontractor and supplier change order files.

PROTESTS:

- 41) Any Proposer who claims to be aggrieved in any connection with the selection process, a pending award, or other reasonable issue may initiate a protest.
 - a) Protests involving the solicitation process must be presented in writing to Procurement@stcharlesil.gov no later than the last date for questions as reflected on the cover page of this document.
 - b) Protests involving the evaluation of offers, staff recommendations, or the award process must be submitted in writing to Procurement@stcharlesil.gov no later than three business days after bid results are publicly posted.
- 42) Protests must include: the name and address of the protestor; the title and solicitation # of the solicitation; and if available: if an award has been recommended, the city public meeting agenda #, the award document number, identification of the procedure that is alleged to have been violated; precise statement(s) of the relevant facts; identification of the issue to be resolved; protestor's argument and supporting documentation (Exhibits, evidence, or documents to substantiate any claims).
- 43) A person filing a notice of protest will be required; at the time the notice of protest is filed, to post a bond in the form of a cashier's check in an amount equal to twenty-five percent of the City's estimate of the total volume of the award, or \$1,000, whichever is less.
 - a) If the decision of the Protest does not uphold the action taken by the City, then the City shall return the amount, without deduction, to the Proposer filing the protest.
 - b) If the decision of the Protest upholds the action taken by the City, then the City shall retain the amount of the cashier's check in payment for a portion of the cost and expense for time spent by City staff in responding to the protest and in conducting the evaluation of the protest.
- 44) Upon receipt of the notice of protest, the Procurement Division Manager shall stop the award process.
 - a) The Procurement Division Manager will rule on the protest in writing within two business days from receipt of protest.
 - b) Appeals of the Procurement Division Manager's decision must be made in writing within two business days after receipt thereof and submitted to the City Administrator for final resolution. Appellant shall have the opportunity to be heard and an opportunity to present evidence in support of the appeal.
 - c) The City Administrator's decision is final.

Special Provisions for Professional Services

Part 1: REGARDING THE SOLICITATION PROCESS:

A) Submittal Structure:

- 1) Response Cover Page will be page 1 of your submittal (*attached*)
- 2) Response Signature Page will be page 2 of your submittal (*attached*)
- 3) Response Price Proposal Page will be page 3 of your submittal (*attached*)
- 4) Certification of Compliance will be page 4 of your submittal (*attached*)
- 5) Response Requirements (*attached*), and the requested attachments, will be page 5+ of your submittal
- 6) Submit all of the following in one sealed envelope identified with the enclosed label:
 - i. 1 original for Procurement
 - ii. 1 original for Project Manager
 - iii. 1 file copy via USB Flashdrive for Procurement identified with solicitation # and project name.
 - iv. If your proposal includes confidential information as defined by FOIA (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7 provide
 1. 1 redacted original identified as REDACTED ORIGINAL
 2. 1 file copy on the same above USB Flashdrive, identifying file as REDACTED ORIGINAL

B) Response Requirements (*reference Response Requirements for specifics*)

- 1) The proposal submission shall include documentation and information that demonstrates the firm's ability to provide a comprehensive audit of the City of St. Charles' financial statements, as well as provide details regarding the systems, programs and processes used by the firm when conducting the audit. Please provide a proposal with the following sections:
 - i. References
 - ii. Implementation Plan
 - iii. Sample of Work
 - iv. Technical Proposal
 1. The firm's qualifications, competence and capacity to undertake an independent audit of the City of St. Charles in conformity with the requirements of this request for proposal.
 2. The qualifications of the firm and of the particular staff to be assigned to this engagement.
 3. Address, at minimum, all the points outlined in the request for proposal.
- 2) The substance of proposals will carry more weight than their form or manner of presentation. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements.
- 3) While additional data may be presented, Response Requirements #1 – 8 represent the criteria against which the proposal will be evaluated.

C) Cost Proposal (*reference Response Price Proposal for structure*)

- 1) Cost will be expressed as an annual fixed flat rate held firm for the five (5) year term.
- 2) Provide a projected hourly rate for specified job titles to facilitate the possibility of Change Orders.

D) Evaluation Criteria: Proposals will be evaluated on the following criteria listed in order of priority and weighted as stated:

- 1) Technical Proposal **45%**
- 2) Sample of Work **10%**
- 3) Implementation Plan **10%**
- 4) References **5%**
- 5) Cost **30%**

E) Evaluation Process

- 1) An evaluation team will review all proposals based on weighted requirements. The evaluation team is composed of the Department Head, Project Manager, Procurement Division Manager and others as required.
- 2) Proposals will be reviewed for compliance, and if compliant, will be deemed responsive.
 - i. Responsive proposals are inclusive of, but not restricted to: received prior to the due date and time, completed as stated in the solicitation request, inclusive of all requirements, able to meet delivery requirements, accepting of all contract terms and conditions.
 - ii. The degree to which a proposal meets the requirements is determined solely on the judgment of the Procurement Division Manager.
- 3) Proposer Qualifications will be reviewed, and if qualified, will be deemed responsible.
- 4) Proposals deemed both Responsive and Responsible will be reviewed by the evaluation committee. The committee will utilize the above criteria and weights when reviewing proposals.
 - i. The City reserves the right to seek clarification of proposals.
- 5) Proposed Fees will be analyzed for totality of costs.
- 6) Finalists may be invited for an interview.
 - i. The City does not intend to interview all proposers.
 - ii. Proposers may be required to submit additional data during the interview process.
- 7) The City's determination of award for best overall value will consider the following non-exclusive list: available project management resources, soft costs of contract management; and utilization of city resources.

F) Basis of Award

- 1) Award is based on the best overall value to the City; and deemed most advantageous to the City, based on the totality of lawful considerations, price and other factors considered.
- 2) While numeric evaluations may be used in some aspects of the process to identify strengths and weaknesses of proposals, and to establish a ranking, the final decision will be a business decision by the City and will not be based on a numerical score. A recommendation to award will document the basis for the award decision.
- 3) Except as otherwise stated, proposers will be awarded within ninety (90) days from the opening date.
- 4) The City reserves the right to award a shorter term of service, by phase or deliverable, part or portion of a phase or deliverable, any line item or option regardless of order listed.

Part 2: REGARDING THE WORK

G) The Contract for Services is attached for reference at the end of this document. It includes:

- Exhibit A: This Request for Proposal and all Addenda
- Exhibit B: The Proposal and all Clarifications
- Exhibit C: Insurance Requirements
- Exhibit D: Change Order Document

H) Contract Administration:

- 1) A "Work May Proceed" order will be issued by Procurement upon confirmation of a properly executed contract.
- 2) Once the "Work May Proceed" order is issued, the work will be turned over to the city's the Project Manager.
 - i. The Project Manager's primary responsibility is to assure the city receives the professional services in accordance to the requirements of the contract. The Project Manager will, but is not limited to: oversee the entire project from kick-off activities through close out and payment of final invoice; monitor project progress; address any quality issues and change orders; review and approve deliverables.

I) Communications Plan

The Service Provider is required to provide the City's Project Manager with updates of the project inclusive of but not limited to: portion of work completed, assumptions, problems encountered... The updates can be in person or over the phone, at the discretion of the city.

J) Change Order Procedure

The city reserves the right to make changes to the Scope of Work by altering, adding to, or deducting from the work,

without invalidating the contract. All such changes shall be executed under the conditions of the original contract.

- 1) Issuance of a memo or verbal approval is not to be considered a Change Order and is not authorization to proceed.
- 2) Approved Change Orders are required with any/all changes in, the Scope of Work, the contract sum, the time for completion of services, renewal or any combination thereof.
- 3) Change orders will describe the city approved change(s), will refer to the service provider's recommended proposal for change, and will be signed by the city and the service provider prior to implementing the change.
- 4) All Change Orders shall clearly identify the impact of cost and the effect on time required to perform the work associated with the proposal.
- 5) If the service provider's proposal is found to be satisfactory and in proper order, and both parties agree upon cost or credit and timeframe for the change, the city will authorize the documented Change Order which will be confirmed as a contract amendment.

K) Payment:

- 1) Payment will be monthly as services are provided.
- 2) Authorization of payment requires receipt of service providers invoice, acceptance of services by Project Manager and receipt of other required paperwork.
- 3) The City complies with the Illinois Local Government Prompt Payment Act which states that any bill approved for payment shall be paid within 30 days after date of approval.

L) Service Issues: The service provider shall not be reimbursed until services are compliant.

Requirements and Specifications

The City of St. Charles is requesting an audit which includes all the funds, accounts, capital assets, long term debt and activities of the City including a Police Pension Fund and a Fire Pension Fund. The audit shall be performed in conjunction with Illinois Compiled Statutes and Generally Accepted Auditing Standards in all cases and in accordance with Government Auditing Standards as issued by the Comptroller General of the United States as required.

BACKGROUND

1. DESCRIPTION OF GOVERNMENT

The City is a home rule unit pursuant to Article VII, Section 6 of the Illinois Constitution of 1970. Except as limited by that Article, and any specific pre-emptive legislation adopted thereunder, a home rule unit may exercise any power and perform any function relating to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare, to license, to tax and to incur debt. St. Charles, incorporated as a town in 1853 and as a City in 1874, is located approximately 34 miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles operates under the aldermanic form of government with five wards and ten aldermen. The Mayor is elected at large to a four-year term and the Council is elected by ward to staggered four-year terms. The City became a home rule community in 1995 due to a special census count conducted in 1994, which resulted in a population count of 25,282. Once a municipality reaches a population of 25,000 it becomes a home rule municipality without referendum. The City now has greater local authority to regulate and finance its operations. The City's 2010 Census population was 32,974. The City of St. Charles provides a full range of services including police protection, fire protection, ambulance emergency services (Tri-City Ambulance), street maintenance, electric, water and wastewater. The reporting entity of the City includes all the funds and accounts of the City, and its Police and Fire Pension Funds.

2. Finance Department

The Finance Department is headed by a Finance Director. The Finance Director currently supervises (directly and indirectly) an Assistant Finance Director; Senior Administrative Assistant; Purchasing Division Manager; Utility Billing Division Manager; Senior Accountant; Junior Accountant; Accounts Payable/Payroll Specialist; Accounting Specialist; Accounts Payable Rep; Sr. Utility Billing Rep; Utility Billing Rep; and 2 part-time Utility Billing reps.

3. Financial Activity

- Checks/Wires issued in FY 2018 – 7,584
- General Fund Budget for FY 18/19 - \$45.4 million (including transfers)
- Total Budget for FY 18/19 - \$194.7 million (including transfers)
- Total Number of Employees – 338 total, 264 full-time
- Utility Customers – 15,712 Electric; 12,431 Water; 14,923 Sewer
- Cash and Investments as of 4/30/18: \$88.4 million (City wide)
- Police Pension Fund Cash and Investments as of 4/30/18: \$33.9 million
- Fire Pension Fund Cash and Investments as of 4/30/18: \$38.3 million

4. Summary of Accounting Funds and Structure

As of April 30, 2018, the City of St. Charles has established a number of internal accounting fund structures for its own internal tracking purposes as well as to meet the requirements of state, federal, or grant mandates and the current governmental accounting and reporting standards. The funds include:

General Fund

Special Revenue Funds

- TIF District #1 – Hotel Baker

- TIF District #2 – Moline Foundry
- TIF District #3 – St. Charles Mall
- TIF District #4 – First Street
- TIF District #5 – St. Charles Manufacturing
- TIF District #6 – Lexington Club
- TIF District #7 – Central Downtown
- Motor Fuel Tax
- Foreign Fire Insurance Tax

Debt Service Funds

- TIF District #2 – Moline Foundry
- TIF District #3 – St. Charles Mall
- TIF District #4 – First Street
- TIF District #5 – St. Charles Manufacturing
- G.O. and Refunding G.O. Bond Issues
- Revenue Bond Issue

Capital Projects Funds

- Capital Levy Fund
- Capital Projects Fund
- Police Building Capital Fund
- Equipment Replacement Fund
- TIF District #7 Project Fund

Internal Service Funds

- Health Insurance
- Workers' Compensation Liability Insurance
- Inventory
- Motor Vehicle Replacement
- Communications

Agency Funds

- Tri-City Ambulance
- Special Service Area #21 Bond Issue
- North Central Narcotics Task Force

Business-Type Activities

- Electric
- Water
- Wastewater
- Refuse

Pension Funds

- Firefighters' Pension Fund
- Police Pension Fund

City of St. Charles employees participate in the following pension plans:

- Illinois Municipal Retirement Fund
- City of St. Charles Police Pension
- Firefighters' Pension

5. **Additional information** on the City and its financial activities can be found on the Finance page of the City website – <https://www.stcharlesil.gov/departments/finance>

SCOPE OF WORK

6. Audit Services

- a) The auditor will express an opinion on the fair presentation of the financial position of the governmental activities, the business-type activities, and the fiduciary funds in conformity with accounting principles generally accepted in the United State of America;
- b) The auditor will issue an “in relation to” opinion on the City’s combining and individual fund statements and schedules. The auditor is not required to audit the introductory or statistical information section of the CAFR;
- c) The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards;
- d) The auditor shall gather, edit and produce all sections of the CAFR of the City each year, based on financial and other information provided by the City. **The City shall prepare all financial statement related schedules with the exception of the Statement of Cash Flows.** The City will also prepare the statistical section tables and exhibits. The City shall be responsible for and provide to the auditor for inclusion in the final document the Transmittal Letter, MD&A and the non-financial sections. The auditor will prepare the Statement of Cash Flows, the Notes to the Financial Statements and the Required Supplementary Information.
- e) The auditor shall prepare separate audited financial statements for the individual TIF districts if the cumulative revenues have exceeded \$100,000 as required by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-5(d)2 and 5/11-74.6-22(d)(2) (Attachment K of the Annual Tax Increment Finance Report);
- f) The auditor is responsible for preparing Police Pension Fund and Firefighters’ Pension Fund Annual Financial Reports. The City will prepare the Annual Statements for submission to the Illinois Department of Insurance;
- g) The auditor is responsible for expressing an opinion on management’s assertion that The City of St. Charles complied with the requirements of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-5(d)(9) and 5/11-74.6-22(d)(9). (Attachment L of the Annual Tax Increment Finance Report);
- h) The City may be the recipient of Federal financial assistance from time to time, and as a result, the City may be required to have an audit performed in accordance with OMB Circular A-133 (Single Audit Act) and the subsequent Uniform Grant Guidance. If such audit is required, the auditing firm will be required to prepare a report in accordance with these requirements and electronically submit the certified Data Collection Form.

7. Optional Audit Services

In previous fiscal years, the City prepared all financial statement related schedules with the exception of the Statement of Cash Flows. For purposes of this proposal, the City of St. Charles requests that the cost for the auditing firm to prepare all the financial statement related schedules be included in the cost of proposal as an optional cost.

The City will work with the selected vendor to determine the final scope of services/work to be performed.

8. Report/Reporting-Additional Information

- a) The auditor shall prepare and issue the following reports:
 - i. Forty (40) hard copies and one (1) electronic copy (.pdf) of the comprehensive annual financial report (report covers, dividers, introductory section, MD&A and certain statistical data to be provided by the City);
 - ii. Fifteen (15) copies and one (1) electronic copy of the management letter for the City, communicating any material weaknesses and significant deficiencies found during the audit and recommendations for improvement;

- iii. Thirty (30) copies and one (1) electronic copy of the audit report on compliance with Public Act 85-1142 (TIF) for each TIF;
 - iv. Fifteen (15) copies and one (1) electronic copy of the Single Audit Report, if applicable;
 - v. Sixteen copies (16) and one (1) electronic copy of Auditor's communication to City Council;
 - vi. Ten (10) copies and one (1) electronic copy of the Compliance Audit as required by the 2008 Series Revenue Bond Ordinance/Trust Indenture;
 - vii. Twenty (20) copies and one (1) electronic copy of the separately issued St. Charles Police Pension Fund Annual Financial Report and Communication to the Board of Trustees;
 - viii. Twenty (20) copies and one (1) electronic copy of the separately issued St. Charles Firefighters' Pension Fund Annual Financial Report and Auditor's Communication to the Board of Trustees.
- b) The Auditors will make themselves available for a presentation of the CAFR to City Council, at a Government Operations Committee meeting. The Auditors will provide the City sufficient advance notice if there is any portion of this presentation that should be discussed in Executive Session in accordance with the Open Meetings Act so that the City can properly prepare the agenda and notice for such meeting.
- c) Special considerations: For 32 consecutive years, the City of St. Charles has received the Certificate of Achievement for Excellence in Financial Reporting, administered by the Government Finance Officers Association. The auditor shall work with City staff to ensure that the City's CAFR conforms to the requirements of the program. The auditor will provide the necessary and appropriate responses to review comments and suggestions made on the preceding year's report as submitted to the program. It is the auditor's responsibility to assure that any and all comments are incorporated into subsequent CAFR documents produced.
- d) The City will file the CAFR and associated documents with the Electronic Municipal Market Access (EMMA) of the Municipal securities Rulemaking Board (MSRB) or such other reporting repository as may be created.

9. Working Paper Retention and Access to Working Papers

Working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of St. Charles of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the City of St. Charles and auditors of entities in which the City of St. Charles is a sub-recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review prior year's working papers and work papers relating to matters of continuing accounting significance.

10. Time Requirements

The audit schedule shall be agreed upon by and with the City of St. Charles, but shall typically follow the schedule outlined below. The City prides itself on its ability to consistently obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting. Therefore, adherence to the general timeframe outlined below is of importance to the City.

- a) Detailed Audit Plan – The Auditor shall provide the City of St. Charles both a detailed audit plan and list of all schedules to be prepared by the City prior to the audit and no later than May 15th following the audit year. Engagement letter shall be provided to the City.
- b) Inventory Observation visit to proceed May 1st.
- c) Fieldwork – The Auditor shall begin the preliminary fieldwork portion of the audit (including Police and Fire Pension work) at the City the first week of June and complete all fieldwork within four weeks of the initiation of the audit, but no later than August 31st. The City shall be notified, in advance, of the audit team to be assigned to the City's engagement.
- d) Draft Reports – Draft Opinion/Representation Letter to City by August 31st. First draft of the CAFR, including the auditor's report, financial statements, and notes to the financial statements and recommendations to

management, no later than September 15th of each year.

- e) Final Reports – a Final Draft version of all financial statements and auditor’s reports must be delivered to the City by no later than September 30 of each year. Presentation shall be made to City Council at an October Government Operations Committee meeting.

11. Assistance to be provided to the Auditor

Finance Department staff will be available during the audit to assist the auditors by providing information, documentation and explanations. The preparation of confirmation letters will be the responsibility of the City of St. Charles. The mailing of the confirmation letters shall be the responsibility of the auditing firm.

The City will have personnel available to assist the auditor in performing the engagement. The City utilizes software that is accessible to the Auditor in the performance of information gathering.

City staff will provide the auditor with reasonable work space and chairs. Auditor will also be provided one telephone line, secured wireless internet access and inquiry access into the accounting software and document management software.

Report preparation, editing and printing shall be the responsibility of the auditor.



Response Cover Page

This is page #1 of your response.

Audit Services #1012

Based on
Addendum # _____

Please do not submit punched or perforated pages, nor bind your proposal in anything other than paperclips.

Proposal Prepared By:		Contacts:	
Firm Name		Operations	
DBA		Contact Name	
Address		Contact Phone #	
		Contact E-mail	
City, St, Zip		Sales	
Signature		Contact Name	
Print Name		Contact Phone #	
Position		Contact E-Mail	
Phone #		Billing	
Fax #		Contact Name	
E-mail Address		Contact Phone #	
		Contact E-Mail	

This business Firm is (check one) An Individual A Partnership A Corporation An LLC

Exceptions: (check one)

This proposal meets and accepts all Requirements, Specifications, Terms and Conditions and Contract Language.

We hereby take the following Exceptions to the Requirements, Specifications, Terms and Conditions and Contract Language (*reference section name and identifying reference number*):



Signature Page

This is page #2 of your response.

Audit Services #1012

Based on
Addendum # _____

The undersigned proposes and agrees, after having examined the requirements and specifications, to irrevocably offer to furnish the services in compliance to all terms, conditions, specifications and applicable addenda. I (we) hereby certify and affirm that being first duly sworn an oath, deposes and states that all statements made herein are made on behalf of the Offeror, that this despondent is authorized to make them and the statements contained herein are true and correct.

If an Individual

By: _____
Signature

Title

If a Partnership

By: _____
Signature

Title

By: _____
Partner

If a Corporation

By: _____
Signature of person authorized to sign

Title

ATTEST _____

If a Joint Venture

By: _____
Signature

Title

By: _____
Signature

Title

DATE _____

Attach seal here.



Response Price Proposal Page

This is page #3 of your response.

Audit Services #1012

Based on
Addendum # _____

I (we) propose to furnish all services as specified in the attached solicitation documents at the below price. No additional charges over said pricing will be accepted by the city without an authorized change order and written approval by the Purchasing Division Manager confirmed via purchase order amendment.

	Annual Fee		Extended Fee
Financial Statement Audit	\$ _____	x 5 years =	\$ _____
Preparation of			
Cash Flow Statements	\$ _____	x 5 years =	\$ _____
Notes to the Financial Statements	\$ _____	x 5 years =	\$ _____
Required Supplementary Information (RSI)	\$ _____	x 5 years =	\$ _____
Single Audit (if Required)	\$ _____	x 5 years =	\$ _____
Police Pension Financials	\$ _____	x 5 years =	\$ _____
Fire Pension Financials	\$ _____	x 5 years =	\$ _____
TIF Compliance Report (for 7 TIF Districts)			
Total	\$ _____	x 5 years =	\$ _____

Optional			
Preparation of <i>all</i> Financial Statement related schedules	\$ _____	x 5 years =	\$ _____

Professional Fee Labor Rate	Hourly Rate	
Partner	\$ _____	firm fixed fee
Manager	\$ _____	firm fixed fee
Supervisor	\$ _____	firm fixed fee
_____	\$ _____	firm fixed fee
_____	\$ _____	firm fixed fee

	Annual Fee		Extended Fee
Financial Statement Audit	\$ _____	x 5 years =	\$ _____
Single Audit (if Required)	\$ _____	x 5 years =	\$ _____
Preparation of			
Cash Flow Statements	\$ _____	x 5 years =	\$ _____
Notes to the Financial Statements	\$ _____	x 5 years =	\$ _____
Required Supplemenetary Information	\$ _____	x 5 years =	\$ _____

(RSI)

CAFR \$ _____ x 5 years = \$ _____

Police Pension Financials \$ _____ x 5 years = \$ _____

Fire Pension Financials \$ _____ x 5 years = \$ _____

TIF Compliznce Report (for 6 TIF Districts) \$ _____ x 5 years = \$ _____

\$ _____ x 5 years = \$ _____

Total — = —



Certification of Compliance

This is page #4 of your response.

- (A) The undersigned certifies that, pursuant to the **Equal Opportunity Employer** provisions of Section 2000(e) of Chapter 21, Title 42 of the United States Code and Federal Executive Order No. 11246 as amended by Executive Order No. 11375, the bidder is compliant with all Equal Employment Opportunity Commission ("EEOC") requirements.
- (B) The undersigned certifies that, pursuant to the **Illinois Human Rights Act** provisions of Section 775 ILCS 5/2-105, the bidder complies with and certifies that it is in compliance with all equal employment practice requirements contained therein, and that it has adopted a written sexual harassment policy that meets the minimum requirements.
- (C) The undersigned certifies that, pursuant to the **State of Illinois Law** provisions of Section 720 ILCS 5/33E prohibiting Bid-rigging or Bid-rotating, the bidder is not barred from bidding on this project, or entering into a contract for this project.
- (D) The undersigned certifies that, pursuant to the **Illinois Department of Revenue Tax Laws** provisions of Section 65 ILCS 5/11-42.1-1, the bidder is not barred from doing business with any unit of local government in the State of Illinois as a result of a delinquency in payment of any taxes unless the bidder is contesting, in accordance with the procedures established by the appropriate statute, its liability for the tax or the amount of the tax.
- (E) The undersigned certifies that, pursuant to the **Illinois Drug Free Workplace Act** provisions of Section 30 ILCS 580/3, the bidder deposes states and certifies that it will provide a drug free workplace, inclusive of all satellite locations as well as the City of St. Charles sites.
- (F) The undersigned certifies that, pursuant to the **Illinois Prevailing Wage Act** provisions of Section 820 ILCS 130/0.01 et seq, the bidder, when required, is in compliance with all requirements of, including provisions as to wages, medical and hospitalization insurance and retirement benefits for those trades covered in the Act. Pursuant to **Illinois Public Act** provisions of Section 94-0515 and all provisions of the **Employee Classification Act**, provisions of Section 820 ILCS 185/1 et seq., said bidder agrees to submit certified payroll records as required.
- (G) The undersigned certifies that, pursuant to the **Employment of Illinois Workers on Public Works Act** provisions of Section 30 ILCS 570/0.01, et seq., the bidder is in compliance with all requirements. Furthermore, the bidder certifies that it will demonstrate a good faith effort toward providing equal employment opportunities for City of St. Charles residents to work as crafts persons, consistent with the racial, ethnic, and gender demographics of the City's labor force.
- (H) The undersigned certifies that, pursuant to the **National Security/USA Patriot Act** as defined in Presidential Executive Order 13224, the bidder and all affiliated parties, are not working for or with, nor acting on behalf of, a Specially Designated National and Blocked Person.
- (I) The undersigned certifies that they have not colluded with or participated in any **unethical practices** with any person, firm or employee of the City of St Charles which would in any way be construed as an unethical business practice.

Check One:

- There are no conflicts of interest** and in the event that a conflict of interest is identified anytime during the duration of this award, or reasonable time thereafter, you, your firm or your firm's ownership, management or staff will immediately notify the City of St. Charles in writing.
- There is an affiliation or business relationship** between you, your management or staff, your firm or your firm's ownership, and an employee, officer or elected official of the City of St. Charles who makes recommendations to the City of St. Charles with respect to expenditures of money, employment, and elected or appointed positions. Provide on a separate letter included with your response any and all affiliations or business relationships that might cause a conflict of interest or a ny potential conflict of interest. Include the name of each City of St Charles affiliate with whom you, your firm or your firm's ownership, management or staff has an affiliation or a business relationship.

Company Name _____ Signature _____ Date _____



Response Requirements

This, and the attached answers, is page #5 of your response.

Audit Services #1012

Please provide the following requirements in the specified order referencing the identified number.

References

- 1 Proposers shall provide the City with the names and contact information of three (3) professional references for which similar municipal audit services have been provided. Include contact information (name, title, e-mail address, and phone #) for the individual who oversaw the quality of the work and authorized payment. References within the greater Chicago area preferred.

The proposer shall grant the City permission to contact said references and ask questions regarding prior work performance.

Implementation Plan

- 2 Describe the typical engagement process and schedule, incorporating any specific requirements identified by the City of St. Charles in this proposal.

Sample of Work

- 3 Provide a link for a sample CAFR prepared by the firm. This report shall be compliant through at least GASB 68 and have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

Technical Proposal

- 4 Independence

The firm shall provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards. The firm shall give the City written notice of any professional relationships entered into during the period of this agreement should it be thought to cause a conflict of interest.

- 5 Firm Qualifications and Experience

The proposal shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement. The proposal must include the date of the last quality control review and state whether or not it was an unmodified report

- 6 Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each person is registered as a certified public accountant in Illinois. The firm should also provide information on the government auditing experience of each person. The firm should provide information regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement.

- 7 Single Audit Experience

State the training received by the principal supervisory and management staff assigned to the City of St. Charles audit as it pertains to the Uniform Grant Guidance.

- 8 Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Proposers will be required, at minimum, to provide the following information on their audit approach:

- a) Description of audit approach.
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagement.

- c) Approach to be taken to gain and document an understanding of the City's internal control structure.

Safety Risk

9 Certificate of Insurance

10 A brief explanation of the following:

- a) A time your organization failed to complete a contract
- b) Bankruptcy or reorganization
- c) Judgment claims or law suits against the firm: Awarded and Pending within past five (5) years

11 Any other services your firm may offer that would benefit the City of St. Charles?



Customized Mailing Label For Sealed Solicitation

Audit Services #1012

- Cut along outer border and affix this mailing label to the envelope of your sealed submittal.
- Record your firm's name in the space provided.



Sealed Submittal

Audit Services

#1012

DUE: Thursday, December 6, 2018

Prior to: 2:00 PM

FROM:

Firm
Name

TO:

Receptionist / City Hall

City Of St Charles

2 East Main Street

St Charles, Il 60174

St. Charles Agreement for Professional Service Audit Services

This agreement for professional services ("**Agreement**") has been awarded on _____, 20____ by City Council and is between the City of St. Charles, an Illinois home rule municipal corporation ("**City**"), located at 2 East Main Street; St. Charles, Illinois 60174 and _____ ("**Professional Service Provider**") (Inc/LLC/Co/sole proprietorship), located at _____. City and Professional Service Provider are at times collectively referred to hereinafter as the "Parties."

RECITALS

Whereas, the City issued Request for Proposal #1012 (**Solicitation**) for professional services entitled **AUDIT SERVICES ("Project")**;

Whereas, the Professional Service Provider submitted an offer (**Offer**) in response to the Solicitation and the Professional Service Provider represents that it is ready, willing and able to perform the services specified in the project;

Whereas, the Offer was found to meet the City's requirements as specified in the solicitation;

Whereas, the City awarded the Professional Service Provider the Project, in a total amount not to exceed \$_____/year for each of five (5) fiscal years (2018-19, 2019-20, 2020-21, 2021-22, and 2022-23,) for a total contract value of \$_____.

Now therefore, in consideration of the foregoing and for the mutual promises hereinafter set forth and for other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree as follows to the following terms and conditions:

Article 1: Contract Documents

- A. Incorporated Documents.** The Contract documents consist of this Agreement and the following attached exhibits. These attachments along with this Agreement represent the entire integrated Contract between the parties and supersede any and all prior negotiations, representations or agreements, written or oral.
- The City's Purchase Order document, to be generated as the Work May Proceed document upon contract execution, is incorporated as the first page of this Contract and said Purchase Order Number will become the identification number for this contract and thus must be referenced on all related documents, inclusive of invoices.
 - The City's solicitation and all related documents is attached as **Exhibit A**
 - The Professional Service Provider's offer and all related documents is attached as **Exhibit B**
 - Insurance Coverage for Professional Service Provider is attached as **Exhibit C**
 - Change Order Form, which is the sole vehicle authorized to amend contract, is attached as **Exhibit D**
- B. Controlling Document.** In the event of a conflict between this Agreement and any attachment or exhibit, the provisions of this Agreement shall control.

Article 2: Services Contracted

- A. Scope of Services.** Professional Service Provider shall provide awarded Services in accordance with the Project Requirements stated within the City's Solicitation [**Exhibit A**], and the Offer submitted by the Professional Service Provider [**Exhibit B**].

- a. **Truthful and Accurate.** Professional Service Provider represents that such material and information furnished in connection with the Solicitation and this Contract is truthful and accurate.
- b. **Necessary Documentation.** Professional Service Provider acknowledges that it has furnished exhibits, as listed previously, and will continue to furnish requested and necessary documentation, including but not limited to certifications, affidavits, reports and other information.
- c. **Ownership of Project Documents.** All drawings, specifications, reports, and any other project documents prepared by the Professional Services Provider in connection with any or all of the project services shall be delivered to the City for the expressed use of the City. The Professional Services Provider does have the right to retain original documents, but shall cause to be delivered to the City such quality or documents so as to assure total reproducibility of the documents delivered. All information, worksheets, reports, design calculations, plans, and specifications shall be the sole property of the City unless otherwise specified within this negotiated Contract. The Professional Services Provider agrees that the basic survey notes and sketches, charts, computations, and other data prepared or obtained by the Professional Services Provider pursuant to the Contract will be made available, upon request, to the City without cost and without restriction or limitations as to their use. All field notes, test records, and reports shall be available to the City upon request.

B. Status of Independent Professional Service Provider. Both City and Professional Service Provider agree that Professional Service Provider will act as an Independent Professional Service Provider in the performance of the Project. Accordingly, the Independent Professional Service Provider shall be responsible for payment of all taxes including federal, state, and local taxes arising out of the Professional Service Provider's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, social security tax, and any other taxes or license fees as may be required under the law. Professional Service Provider further acknowledges under the terms of this Contract, that it is not an agent, employee, or servant for the City for any purpose, and that it shall not hold itself out as an agent, employee, or servant of the City under any circumstance for any reason. Professional Service Provider is not in any way authorized to make any contract, agreement or promise on behalf of the City, or to create any implied obligation on behalf of City, and Professional Service Provider specifically agrees that it shall not do so. City shall have no obligation to provide any compensation or benefits to Professional Service Provider, except those specifically identified in this Contract. City shall not have the authority to control the method or manner by which Professional Service Provider complies with the terms of this Contract.

Article 3: Term

- A. Term.** This Contract commences on May 1, 2019 and terminates on April 30, 2024. Alteration in termination may occur prior to completion of Project in accordance with the following conditions.
- B. Termination of Contract.** The City has the right to terminate this Contract, in whole or in part at any time. Written notice of termination is to be served by the City to the Professional Service Provider's principal or Professional Service Provider's agent personally or by certified or registered mail, return receipt requested. In the event of termination, the City shall pay the Professional Service Provider for satisfactory services performed as of the effective date of termination. The effective date of termination releases the City from any obligations under this Contract. Professional Service Provider shall deliver to the City any finished and unfinished documents, drawings, studies and reports related to the Project. All such documents, studies and reports shall become the property of the City. The City may terminate this Contract, or any portion of it, as is reasonably necessary in accordance with the following conditions:
 - a. **Substitution of Key Personnel.** Should any of the key personnel identified in the offer become unavailable to work on the project; and should no temporary replacement personnel be provided within 24 hours following the commencement of the subject key personnel's unavailability; and/or should no

permanent substitute personnel reasonably satisfactory to the City be provided within thirty (30) days of key personnel's unavailability; the City may, at its election, declare breach of contract and terminate the contract for non-performance.

- b. **Non-performance.** Non-adherence to the terms of this Contract and its incorporated documents on the part of the Professional Service Provider is grounds for termination of the Contract. The City will notify the Professional Service Provider in writing with a 24 hour notice specifying the effective date of termination. In the event of termination due to non-performance on the part of the Professional Service Provider, the City has the authority to contract with an alternate Professional Service Provider to complete this Contract. The Professional Service Provider shall be liable to the City for all incidental and consequential expenses incurred in procuring and securing an alternate Professional Service Provider, including any loss due to alternate Professional Service Provider compensation. The City may deduct expenses and loss, due to breach, from payment to the Professional Service Provider for services already performed. Failure to deduct expenses and losses from the City's payment to the Professional Service Provider does not relieve the Professional Service Provider from the Terms of this condition nor bar the City from seeking alternative legal remedies.
- c. **Unappropriated Funds.** If sufficient funds have not been appropriated to cover the estimated requirement of this Contract, the City may terminate this Contract. The City may terminate for unappropriated funds by serving the Professional Service Provider with a fourteen (14) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for unappropriated funds after performance by the Professional Service Provider has commenced, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for unappropriated funds constitutes full satisfaction for services rendered.
- d. **Convenience.** Termination for convenience does not necessitate a reason. The city may terminate for convenience by serving the Professional Service Provider with a seven (7) day written notice specifying the effective date of termination. On that specified termination date, this Contract and all contractual obligations will end. If this Contract is terminated by the City for convenience, the termination date controls the final invoice by the Professional Service Provider for previous services under this Contract. The termination date controls all payment obligations of the City to the Professional Service Provider. Payment by the City to the Professional Service Provider upon termination for convenience constitutes full satisfaction for services rendered.
- e. **Force Majeure.** A party shall not be held liable for failure of or delay in performing its obligations under this Contract if failure of delay is a result of an event of outside force, including a natural disaster, "Act of God", act of war, act of terrorism, government sanction or strike that could not be foreseen or avoided by prudence. Once performance is delayed by this event of outside force, the non-performing party must make every reasonable attempt to minimize delay. Once performance has been delayed one-hundred and twenty (120) days, performance is considered impracticable due to impossibility, and either party may terminate this Contract.

Article 4: Compensation

- A. **Price.** The City shall pay the Professional Services Provider for Services in accordance with the amounts set forth in the Offer. [Exhibit B] The maximum price stated on page 1 may not be increased unless the City's Project Manager is provided with supporting documentation to warrant a change, and if upon review and acceptance, a

written change order is approved. All change orders shall be by written schedule on a City Change Order form [Exhibit D], and shall be attached as an amendment to this Contract.

- B. **Invoicing.** Professional Service Provider shall submit an itemized invoice with all supporting documentation as required by the City. Supporting documentation may include, but is not limited to: a supporting schedule of hours worked making explicit the percentage of completion of services as of the date of the invoice; receipts for travel, postage, duplication, subcontracted services; supplier's invoices to justify material mark-up; certified payroll; waivers of lien; and supplier's invoices to justify material mark-up.
- C. **Invoice Submittals.** All invoices must be submitted directly to AccountsPayable@stcharlesil.gov. Invoices submitted in any other manner will result in a delay of payment to the Professional Service Provider.
- D. **Payment.** The City shall make all payments in accordance with the Illinois Local Government Prompt payment Act or Professional Service Provider's invoice, whichever is more favorable to the City.
 - a. **Schedule of Payment.** The City shall make all payments on the basis of approved invoices and supporting documents. The City shall use its best efforts to make payments within thirty (30) days after review and approval of the invoice. Each payment requires City Council's approval of the Expenditure Approval List which occurs at publicly scheduled meetings.
 - b. **Non-Payment.** All invoices must be submitted to the City within two (2) months of the Professional Service Provider's final performance on this Contract. The City shall not pay any invoices submitted in excess of two (2) months from the date of last service performed per this Contract.

Article 5: Duties

- A. **Consent and Approvals.** The City and the Professional Service Provider represent and warrant to each other that each has obtained all the requisite consents and approvals, whether required by internal operating procedures or otherwise, for entering into this Contract and its contemplated undertakings.
- B. **Insurance.** The Professional Service Provider shall, during the entire term of this Contract, maintain, at a minimum, the insurance minimums as specified in the Solicitation and under the terms stipulated In **Exhibit C**.
- C. **Standard of Performance.** Professional Service Provider warrants that the service provided, under the fully incorporated Contract, by the Professional Service Provider and any and all employees, agents, Professional Service Providers, or subcontractors is performed by individuals who are authorized under all applicable licenses and certifications, and who have completed the requisite training as required by industry standards, professional standards, manufacturers' requirements, and statute. Performance by these parties shall be with the degree, skill, care and diligence customarily required of a professional performing services of comparable scope, purpose and magnitude and in conformance with the applicable industry standards. The Professional Service Provider and its employees, agents, Professional Service Providers, or subcontractors shall perform in strict compliance with the laws and regulations of the City, State, and federal government.
- D. **Best Efforts.** The Professional Service Provider shall use its best efforts to assure timely and satisfactory rendering and completion of services under this Contract. The Professional Service Provider shall remain solely responsible for the professional and technical accuracy of all services and deliverables furnished, whether such service is rendered by the Professional Service Provider or others on its behalf including, and without limitation, subcontractors, employees, agents, manufacturers, suppliers, fabricators, and consultants. The Professional Service Provider is not to be relieved from its duty to use best efforts, pursuant to the Contract, by the City's review, approval, acceptance, or payment for any of the agreed to services. Any change to the character, form quality or extent of the Project shall be in writing on a City Change Order form [Exhibit D], and attached as an addendum to this Contract.
- E. **Non-disclosure.** The Professional Service Provider, its employees, agents, consultants, or subcontractors may have access to the City's confidential information during performance of this Contract. Confidential information includes, but is not limited to, methods, processes, formulas, compositions, systems, techniques, computer

programs, databases, research projects, resident identification and contact information, financial data, and other data. The Professional Service Provider shall not directly or indirectly use, disclose or disseminate confidential information to any third party for any purpose other than a purpose explicitly allowed for in this Contract and its integrated documents.

F. No Duty. The Professional Service Provider shall not imply any authority to act as an agent of the City. The Professional Service Provider's duties to the City are limited by express authorization under this Contract and by statute.

G. Hold Harmless and Indemnification.

- a. **Patents and Copyrights.** Professional Service Provider warrants that all products used or provided in the fulfillment of this Contract will not infringe on any United States or foreign patent. Professional Service Provider shall indemnify the City against any and all judgments, decrees, legal fees, costs and expenses resulting from such alleged infringement. Professional Service Provider will, upon request of the City and at the Professional Service Provider's own expense, defend any suit or action which may be brought against the City by reason of any alleged infringement of any patent or copyright in the sale or use of products provided to the City by the Professional Service Provider.
- b. **Loss and Liability.** The Professional Service Provider shall hereby defend and indemnify the City, its directors, agents, officers, employees, and elected officials from and against any and all liabilities, losses, claims, demands, damages, costs, fines, penalties, expenses, judgments, and settlements, including, but not limited to, reasonable attorneys' fees and costs of litigation, and any and all causes of action of any kind or character, that may be incurred as a result of bodily injury, sickness, death, or property damage or as a result of any other claim or suit arising out of or connected with, directly or indirectly, the negligent acts, errors, omissions, or intentional acts or omissions of any agent, employee, subcontractor, Professional Service Provider, or contractor hired to provide any goods or perform any services on behalf of the Professional Service Provider.

Article 6: Policies

A. Illinois Freedom of Information Act. The Professional Service Provider acknowledges the requirements of the Illinois Freedom of Information Act (FOIA). Professional Service Provider agrees to comply with all requests made by the City for public records (as defined in FOIA § 2(c)) in the undersigned's possession and/or their subcontractors/suppliers possession.

- a. **Timeliness.** The Professional Service Provider shall provide the requested public records to the City within two (2) business days of the City's request.
- b. **Free of Charge.** The Professional Service Provider agrees not to apply any costs or charge any fees to the City for the procurement of the requested records pursuant to a FOIA request.
- c. **Hold Harmless.** Should the Professional Service Provider deny the City's request unlawfully or request that the City utilize a lawful exemption available under FOIA, Professional Service Provider agrees to pay any and all costs connected with the defense of the Professional Service Provider's denial. All costs include reasonable attorney and witness fees, filing fees and other expenses related to the defense of a complaint. The Professional Service Provider agrees to indemnify the City against any and all claims, costs, penalties, losses and injuries arising out of or relating to its failure to provide the requested public records to the City under this Contract.

B. Discrimination Prohibited.

- a. **Equal Employment Opportunity.** Professional Service Provider shall comply with all rules and regulations pertaining to public contracts adopted by the State and the City. The City is an equal opportunity employer.

- b. **ADA.** Professional Service Provider shall be in compliance with current applicable regulations of the Americans with Disabilities Act.

Article 7: Changes to Contract

- A. **Changes and Alterations.** Any changes or alterations to this Project affecting, inclusive of but not limited to: scope, cost, terms, milestones, deadlines or other significant factors shall be integrated in writing on a City of St. Charles Change Order form. [**Exhibit D**]
- B. **Extension or Renewal of Contract.** The City at its option may extend this Contract for an additional to be determined term if the Professional Service Provider either reduces his price, or holds firm to the proposal prices, conditions and specifications.
- C. **Assignment.** Professional Service Provider shall not assign, transfer, or subcontract this Contract, in whole or in part, without prior written consent of the City.
- D. **Notification.** All notification under this Contract shall be made as follows:
 - a. **If to the City** **If to the Professional Service Provider**
City of St. Charles
Attn: Procurement Division Manager
2 East Main Street
St. Charles, IL 60174
Fax: 630.377.4487
Email: Procurement@stcharlesil.gov
Phone: 630.762.6936
 - b. **With electronic copies to**
Procurement Division Manager: Procurement@stcharlesil.gov
Project Manager: Colleen Lavery; Assistant Director of Finance

Article 8: Applicability

- A. **Other Entity Use.** The Professional Service Provider may, upon mutual agreement with any municipality or governmental unit, permit that unit to participate in this Contract for substantially similar consulting services under the same or more favorable price, terms and conditions.
- B. **Waiver.** Any failure of either the City or the Professional Service Provider to strictly enforce any terms, right, or condition of this Contract, whether implied or expressed, shall not be construed as a waiver of such term right or condition.
- C. **Severability.** If any provision of this Professional Service Provider is held to be illegal, invalid, or unenforceable, such provision shall be fully severable, and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this Contract, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and legal, valid and enforceable.
- D. **Governing Jurisdiction.** The parties agree that any disputes, disagreements, or litigation arising from this Contract, between or amongst them, will be heard and resolved exclusively in the courts of the 16th Judicial Circuit, Kane County, Illinois.
- E. **Governing Law.** The parties agree that the laws of the State of Illinois govern this Contract.

In Witness Whereof, the parties have entered into this Contract upon the latter of the date accepted and signed by the City and the date accepted and signed by the Professional Service Provider.

For: City of St. Charles

By: _____
Mark Koenan; City Administrator

ATTEST _____

DATE _____

Joan M. Schouten; Procurement Division Manager

For: Professional Service Provider

If an Individual

By: _____
Signature

Title

If a Partnership

By: _____
Signature

Title

By: _____
Partner

If a Corporation

By: _____
Signature of person authorized to sign

Title

ATTEST _____

If a Joint Venture

By: _____
Signature

Title

By: _____
Signature

Title

DATE _____

Prior to commencement of Professional Services governed by contract between the City of St. Charles (**City**) and the Professional Service Provider (**Insured**), the Professional Service Provider and each of its subcontractors, consultants and agents hired to provide the services for the Project, shall provide the City with satisfactory evidence of insurance coverage.

1. At Insured's expense, Insured shall hereby secure and maintain project insurance of the following kinds and limits set forth to protect the City from and against any and all damages, claims, lawsuits and losses which may occur or arise out of the Insured's work on behalf of the City. The project Insurance shall remain in effect throughout the duration of the entire Contract.
2. Insured shall furnish Certificates of Insurance, Endorsements, and Waiver of Subrogation to the City, inclusive of the Additional Insureds, with its submittal of signed contract.
 - a. Worker's Compensation and General Liability Waiver of Subrogation in favor of the City.
3. All insurance policies must be written with insurance companies approved by the City, licensed to do business in the State of Illinois, and have a rating of not less than A- VI, according to the latest edition of the A.M. Best Company.
4. The City may inspect any and all policies of insurance at any time. If requested, Insured will give the City a copy of the insurance policies. The policies must be delivered to the City within two (2) business days of the request.
5. Insured agrees to obtain and maintain an insurance policy, including coverage with limits not less than those exhibited on the following page (or greater if required by law):
 - a. All Commercial General Liability policies must include Blanket Contractual coverage and Broad Form Vendor's Liability coverage.
 - b. Contractual and other Liability Insurance provided under this Contract shall not contain a supervision inspection or engineering services exclusion that would preclude the city from supervising or inspecting the project to the end result. The Professional Service Provider shall assume all on-the-job responsibilities as to the control of persons directly employed by it.
6. The City reserves the right to increase the aforementioned limits of Liability Insurance required of insured depending on, but not limited to: the size and scope of the particular project, or the level of financial exposure, or operational risk to the City.
7. Insured shall include the City as a primary, non-contributory additional named insured on both the General and Auto Liability Insurance policies and reflect the same language on its Certificate of Insurance provided to the City.
 - a. Additional Insured and Broad Form Vendors' Liability in favor of the City.

If Insured fails to comply with the insurance requirements contained herein, all the City's obligations under the Agreement will terminate.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED Sample	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A:	
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
X	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	Policy Number	eff date	exp date	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
X	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X		Policy Number	eff date	exp date	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
X	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			Policy Number	eff date	exp date	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	X	Policy Number	eff date	exp date	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
	Professional Liability				eff date	exp date	Limit: \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Project Name, Project Number
 The City of St. Charles and any official, trustee, director, officer or employee of the City (plus holder or mortgagee as designated by the City), are added as Additional Insureds, when required by written contract, on the General Liability and Auto Liability on a primary and non-contributory basis with respect to operations performed by the Named Insured in connection with this project. A Waiver of Subrogation in favor of the Additional Insureds applies to the Workers' Compensation and General Liability policies, when required by written contract and where allowed by law. The General Liability policy shall not contain exclusions for bodily injury or property damage arising out of Explosion Hazard, Collapse Hazard, or Underground Hazard work. The Umbrella must follow form over the underlying liability with regards to coverage terms and conditions, Additional Insured, and Waiver of Subrogation.

CERTIFICATE HOLDER**CANCELLATION**

City of St. Charles 2 E. Main St. St. Charles, IL 60174	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <div style="text-align: right; font-size: 1.2em;">Signature</div>
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CHANGE ORDER: Audit Services

Exhibit D

Contract/PO # _____ Amendment # _____

This document is incorporated into the above contract as an amendment to the Contract between the City and the Contractor/Professional Service Provider commencing on the date the last party signs this document. Any change to the character, form, quality, extent, or cost of the Service/Project shall be in writing and approved on this form.

1. This Change Order is required due to (check all that apply):

- Changed / Unforeseen Condition
- Errors and Omissions
- Change in Scope
- Renewal / Extension of Services
- _____

2. The effect of this change is (check all that apply):

- Total Cost is increased by \$ _____
- Extension of _____ (calendar / work) days
- Material is increased by \$ _____
- Extension of Completion Date from _____ to _____
- Emergency Change, not to exceed \$ _____
- _____

3. Attachments Supporting Change Order (check all that apply)

- Contractor's Proposal
- other: _____
- Description of Change (include Drawing if applicable)

Change in Price		Change in Completion (days / calendar date)	
Original Price <i>(reference Agreement cover page)</i>	\$ _____	<i>a</i>	Original: #days until completion / calendar date for completion <i>(reference date of Work May Proceed)</i> _____
Current Price resulting from Prior Change Orders <i>(reference prior Change Order line d)</i>	\$ _____	<i>b</i>	Current Completion resulting from Prior Change Orders: <i>(reference prior Change Order line d)</i> _____
Net Increase/decrease of this Change Order <i>(reference above #2)</i>	\$ _____	<i>c</i>	Net increase/decrease of days for this Change Order <i>(reference above #2)</i> _____
New Price inclusive of this Change Order* <i>d=(b+c)</i>	\$ _____	<i>d</i>	New Time of Completion inclusive of this Change Order <i>d=(b+c)</i> _____
Cumulative Price change since execution* <i>e=(d-a)</i>	\$ _____	<i>e</i>	Cumulative Time of completion since execution (expressed as total days)** <i>e=(d-a)</i> _____
<i>*if the total price (d) exceeds \$25,000, and has not been approved by council, council approval is required. *If the cumulative price change (e) exceeds \$25,000, or exceeds an approved contingency, council approval is required.</i>		<i>**if the cumulative change in days of completion exceeds the contracted dates for completion, are Liquidated Damages applicable? Yes or No</i>	

All parties hereby acknowledge and agree this Change Order is inclusive of all known changes to scope, compensation and work schedule on behalf of the undersigned and Contractor's supplier, subcontractor, consultant, and agent necessary to complete the Project/Service. All parties hereby acknowledge that this Change Order is incorporated into the previously executed Contract by the signature of the parties below.

City Project Manager _____ date _____

City Administrator _____ date _____

Contractor/Professional Service Provider _____ date _____

For Office Use Only