

VILLAGE OF OAK PARK

REQUEST FOR PROPOSALS

PROFESSIONAL AUDIT SERVICES

FOR

**THE FISCAL YEARS ENDING DECEMBER 31, 2018, 2019 AND 2020 WITH TWO
OPTIONAL YEARS 2021 AND 2022**

RFP #: AUDIT2022

**PROPOSALS MUST BE RECEIVED BY
THE FINANCE DEPARTMENT BY**

5 PM, on Friday, June 29, 2018

REQUEST FOR PROPOSALS

The Village of Oak Park will accept sealed proposals from qualified certified public accounting firms to audit its financial statements for the fiscal years ending December 31, 2018, 2019 and 2020 with two optional years covering fiscal years 2021 and 2022 at the Village's discretion.

Proposals will be accepted by the Finance Division until 5 PM, local time, on Friday, June 29, 2018. Electronic proposals in PDF format are encouraged and may be submitted in lieu of a hardcopy. Proposals received after the the deadline will not be considered. A bid deposit is not required.

Proposals submitted via mail should be addressed or delivered to:

Finance Department
Attn: Auditing Services RFP
Village of Oak Park
123 Madison Street
Oak Park, IL 60302-4272

Electronic proposals (PDF attachments) should be emailed to: sdrazner@oak-park.us and finance@oak-park.us.

For the Village of Oak Park:

Steven Drazner, Chief Financial Officer
Finance Department

VILLAGE OF OAK PARK
REQUEST FOR PROPOSALS- AUDITING SERVICES

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I. INTRODUCTORY SECTION

A. Purpose and Invitation to Submit Proposal

The Village of Oak Park, Illinois ("Village")_is requesting proposals from qualified certified public accounting firms for auditing and related services. Respondents should possess the capability and expertise to audit the Village's financial records for the fiscal years ending December 31, 2018, 2019 and 2020 with optional years for fiscal years 2021 and 2022 at the Village's discretion.

B. General Information

The Village serves an area of four and one-half square miles located eight miles west of downtown Chicago. Oak Park has a population of 52,104 (based on 2010 Census). The Village's population is diverse in income levels, age, and professions with a stimulating mixture of racial, religious and ethnic groups. Oak Park is a Home Rule community and operates under the Board- Manager form of government, in which an elected legislative body, consisting of the President and a Board comprised of six Trustees, hires a professional manager to oversee the day-to-day operations of all governmental services and programs, and carry out the policy directives set out by the elected officials.

The Village provides a multitude of services to its citizens in the form of police and fire protection, street maintenance and construction, community relations, housing programs, youth services, school crossing guards, traffic control, forestry, garbage collection, flood control, health and human services, animal control, water and sewer, building and code enforcement, economic development, and general administrative functions.

The Village utilizes the complete BS&A financial suite of products which includes general ledger, accounts payable, receivables, payroll, fixed assets, and cash receipts. Separate systems are used for tracking parking citations, licenses, and permits.

A host of information is available, including management letters, financial audits, and budgets and may be viewed by accessing the Village's website at: <http://www.oak-park.us/Finance>.

The Finance Department is headed by Steven Drazner, Chief Financial Officer and consists of 12.5 FTEs fully staffed. The Finance Department consists of the following positions:

<u>Title</u>	<u>Number of Employees</u>
CFO	1
Deputy CFO	1
Senior Accountant	1
Accountant	Vacant
Budget/Revenue Analyst	1
Executive Secretary	1
Records Coordinator	1
Office Manager/Payroll Accountant	1
Account Clerk II	2
Cashier	2.5

C. Entity to be Audited

The Village is requesting audit services for all the funds, accounts, capital assets, long-term debt and activities of the Village, including the Police and Fire Pension funds, as well as its component unit, the Oak Park Public Library.

D. Terms of Engagement

The Village will accept sealed proposals from qualified certified public accounting firms to audit its financial statements for the fiscal years ending December 31, 2018, 2019 and 2020 with the option (at the Village's discretion) of auditing the financial statements for fiscal years 2021 and 2022, in accordance with this request for proposal. The responding firm is required to provide a cost proposal for all five years on the enclosed form (Appendix A, Proposal Cost Form).

The Village reserves the right to terminate the agreement by giving written notice by September 1 of any year during the contract term.

E. Award of Contract

The Village will award a contract to the firm that demonstrate the highest quality of services at the most competitive price. The Village reserves the right to reject any and all proposals or portions thereof. Proposals will be evaluated according to the criteria listed in Section V of this document. The selected firm shall enter into a Professional Services Agreement with the Village in substantially the form attached hereto as Appendix D.

F. Proposal Acceptance Period

By submitting a proposal, it is understood that proposed fees will remain valid for a minimum period of ninety days after submission in order to provide the Village adequate time for Board approval of a selected firm and a resulting agreement.

II. SUBMISSION OF PROPOSAL INSTRUCTIONS AND CALENDAR

A. Costs Incurred in Responding

There is no express or implied obligation of the Village to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Therefore, all costs directly or indirectly related to the preparation of a response to this Request for Proposal, any oral presentations required supplementing and/or clarifying a proposal, and/or reasonable demonstrations that may be, at its discretion, required by the Village shall be the sole responsibility of each responding firm.

B. Response Instructions

Two hardcopies of the proposal should be submitted. However, a PDF delivered as an attachment via email will be accepted in lieu of hardcopies. The address for mailing or emailing proposals is:

Finance Department
Attn: Audit Services RFP
Village of Oak Park
123 Madison Street
Oak Park, IL 60302
sdrazner@oak-park.us
finance@oak-park.us

No late proposals will be considered and all submissions are due by 5:00 pm on Friday, June 29, 2018.

Inquiries should be directed to Chief Financial Officer Steven Drazner at (708) 358-5462 or Deputy Chief Financial Officer John Kramer at (708) 358-5464.

C. Calendar of Events

May 24, 2018	RFP posted on Village website/DemandStar and distributed
June 29, 2018	Proposals Due
June 30 - July 13, 2018	Village Review of Proposals
July 16, 2018 (week of)	Interviews Conducted at the Village's Discretion
August 6, 2018	Auditor Recommendation to Village Board

III. CONTENT AND PREPARATION OF PROPOSAL

A. Proposal Format Requirements

Responses to the Request for Proposals shall contain the following sections:

- a. **Title Page** – show the request for proposal's subject, the Respondent's name and address, the name and telephone number of a contact person, and the date of the proposal.
- b. **Table of Contents** – itemizing content of response
- c. **Proposal Content** – refer to outline below.
- d. **Transmittal Letter** – a signed letter of transmittal on company letterhead, briefly stating the respondent's understanding of the work to be done, the commitment to perform the work within the established time period, a statement why the respondent believes it to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for at least ninety (90) days after deadline to receive all request for proposals, June 29, 2018.
- e. **Fee Proposal** – the proposed fees should be presented using the Proposal Cost Form (Appendix A). Please provide separate cost proposals for the Village and the Library.

B. Firm Profile – to include as follows:

- a. *Project Manager:* Clearly identify the professional staff person(s) who would be the project manager for the services to be provided. The proposal should indicate the abilities, qualifications and experience of all persons who would be assigned to provide the required services.
- b. *Qualifications and Experience of Each Individual and/or Team:* All responding firms shall describe other contracts under which services similar in scope, size or discipline to the required audit services were performed or undertaken within the past three (3) years.
- c. *Timetable:* All respondents should include a complete timetable on how they will accomplish each major component of the project and indicate the number of hours that will be committed by each participating staff member on this project. This timetable should conform to the deadlines established by the Village for receipt of the report.
- d. *GASB Compliance.* Please discuss your firm's participation in regards to the review and comment of GASB's proposed pronouncements and the firm's method of informing clients of changes in accounting standards.
- e. *Public Sector Experience.* Discuss governmental experience in terms of experience, training, organizational involvement, etc.
- f. *M/WBE Status (if any).* Completion of Village supplied E.E.O. and M/WBE forms. The Village also encourages, if applicable, outreach efforts to M/WBE firms that would assist the proposing firm in conducting portions of the Village audit.

C. Audit Process

Responding firms shall provide a work plan, including an explanation of the audit methodology to be followed in performing the services required as outlined in this request for proposals. Responding firms are required to provide the following information in describing their audit approach:

- a. Proposed segmentation of the engagement;
- b. Internal seniority level of staff to be assigned to each proposed segment of the audit;
- c. The extent to which statistical sampling will be used in the engagement;
- d. Extent of use of software in the engagement and software description;
- e. Type and extent of analytical procedures to be used in the engagement;
- f. Approach to be taken to document and gain an understanding of the Village's internal control structure;
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- h. Approach to be taken in drawing audit samples for tests of compliance.

In addition to addressing the topics covered in this Request for Proposals with regards to scope of work and reports required, include any other pertinent information you feel will set your firm apart from other proposers.

D. Cost of Services – Fee Proposal

The fee proposal shall contain all pricing information relative to performing the Village and Library audit engagement as described in this request for proposals on a "not to exceed" basis for the years ending December 31, 2018 through December 31, 2022.

E. Independence

Responding firms shall provide an affirmative statement that it is independent of the Village as defined by generally accepted auditing standards. The responding firm shall also list and describe the firm's professional relationships involving the Village of Oak Park or any of its agencies, its elected or appointed officials and employees for the past five (5) years, together with a statement explaining why such relationships, if any, do not constitute a conflict of interest relative to performing the proposed audit. In addition, the responding firm shall provide the Village written notice of any professional relationships that could potentially present a concern of conflict of interest.

F. License to Practice in Illinois and Disclosures

The responding firm shall provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Illinois.

The responding firm shall identify and describe any pending or previous litigation the firm was involved in over the past five (5) years which dealt with the quality of audit work or of pricing of auditing services rendered.

G. References

Please provide references from at least three municipalities for which you have performed similar services over the last three years. Please include a contact and telephone number for each reference. In addition, provide one reference from a municipality for which you performed similar services but are no longer providing services, if applicable.

IV. Nature of Services Requested

A. Scope of Work:

The selected firm will be responsible for:

- Examining all funds of the Village, including the Police Pension Fund, Fire Pension Fund, and Oak Park Public Library (fee must be quoted separately). In addition, the examination shall include as necessary a Federal Single Audit as well as TIF compliance reports.
- Examining all Village funds in compliance with generally accepted accounting principles and sound internal controls and financial management procedures.
- Preparing, editing, and producing all sections (unless noted otherwise in this RFP) of the Village's Comprehensive Annual Financial Report (CAFR) and separate Library Annual Financial Report, including all typing and reproduction in written "hard copy" format and in a format capable of being downloaded onto the Village's internet site (i.e., Microsoft-Word, Excel or Adobe Acrobat-PDF file format). The report is to be consistent with GASB and GFOA Certificate of Achievement for Excellence in Financial Reporting practice requirements.
- Reviewing the Village's two TIFs and preparing the report on compliance with State of Illinois Public Act 85-1142.
- Reviewing the Village's accounting, internal control and financial management practices and providing an annual management letter recommending improvements.

- Prepare adjusting journal entries (AJEs) as needed in conjunction with the audit. While the Village strives for accurateness in its unaudited trial balance, the selected firm agrees that no additional fees will be charged regardless of the number of auditor AJEs needed in any given engagement year.
- Expressing a “full-scope” opinion on the fair presentation of the financial position of the governmental activities, the business-type activities, and the Village’s fiduciary funds and the discreetly presented component unit in conformity with accounting principles generally accepted in the United States of America and Government Auditing Standards.
- Performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Boards as mandated by generally accepted auditing standards.
- Attendance of at least one Finance Committee meeting and one Village Board meeting to present audit results to elected officials and management. Meeting dates will most likely be held in June during evening hours.
- Supporting the Village in obtaining the Government Finance Officers’ Association “Certificate of Achievement for Excellence in Financial Reporting” for each of the Comprehensive Annual Financial Reports prepared by the firm.
- Preparing and submitting the Annual Financial Report with the appropriate State agency.
- The Respondent will not be required to audit the statistical section of the report.

B. Technical Standards

The examination must be made in accordance with generally accepted accounting principles (GAAP) as applied to government entities. The audit must be made in accordance with generally accepted auditing standards (GAAS) including the pronouncements of the Governmental Accounting Standards Board (GASB) and its predecessors, the pronouncements of the Financial Accounting Standards Board (FASB) to the extent they are applicable, and the requirements of the American Institute of Certified Public Accountants (AICPA) “Audit of State and Local Government Units.”

C. Audit Timetable Requirements

The Village will make all records and management personnel available to meet with the firm's personnel any time after the award of contract. The standard practice has been that the Village prepares audit workpapers between January through the end of March for the preceding year and such workpapers/reports ready for the auditors by the first week of April . Draft copies of the CAFR, Single Audit, TIF Report, and Board Communication Letter are due to the Village for review no later than the second week of May. Comments and revisions are due back to the auditor by the end of the third week of May. Final reports (CAFR, Management Letter, Single Audit, TIF Compliance Reports) due to the Village no later than the first Tuesday in June. Please provide a timetable for the services to accommodate the Village’s requirements such as:

1. **Preliminary Fieldwork and Planning:** Preliminary fieldwork and planning shall occur in December of the audit year, but no later than January 15 following the audit year.

2. **Detailed Requested Items List:** The auditor shall provide the Village a list of all schedules to be prepared by the Village prior to the audit but no later than January 2 following the audit year.
3. **Final Fieldwork:** Final audit fieldwork shall begin no later than the second week of April following the audit year throughout the duration of the contract.
4. **Draft Reports:** The auditor shall supply electronic copies of the draft CAFR, Single Audit Report, TIF Report, and Board Communication Letter by or no later than May 15 of each year.
5. **Final Reports:** All financial statements and reports must be delivered to the Village in final and complete form by or no later than the first Tuesday in June of each year.

D. Reports Required

It is the Village's intention to have the selected firm issue the following reports:

	Number of Bound Copies:
Village Comprehensive Annual Financial Report (CAFR)	15
Library Annual Financial Report	15
Single Audit Report	15
Management Letter	15
TIF Compliance Reports	15
State of Illinois Comptroller's Report	1

In addition to the reports indicated above, auditors shall inform the Village's Board of Trustees of each of the following:

1. The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements;
2. The auditor shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware and present such report to the Board of Trustees;
3. The auditor's responsibility under generally accepted auditing standards.
4. Significant accounting policies;
5. Management judgments and accounting estimates;
6. Significant audit adjustments;
7. Other information in documents containing audited financial statements;
8. Disagreements with management;
9. Management consultation with other accountants;
10. Major issues discussed with management prior to retention;
11. Difficulties encountered in performing the audit; and
12. Any other communications required by the GASB.

E. Workpapers

Audit workpapers and reports must be retained, at the auditor's expense and shall remain in the custody of the successful proposer for at least five (5) years following the close of the fiscal year to which the papers pertain, unless the firm is notified in writing by the Village of the need

to extend the retention period. The Village shall have, with reasonable notice, the right of access to the workpapers and to copies (electronic acceptable) of any workpaper(s) pertaining to the audit.

Audit workpapers shall be made available for examination by authorized representatives of the cognizant federal audit agency, the U.S. General Accounting Office, the Comptroller of the State of Illinois and by the Village. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years' audits.

F. Funds to be Audited

The Village utilizes fund structures in accordance with current governmental accounting standards. The number and type of funds may change over time as circumstances dictate. Please refer to recent CAFR for specific information.

G. Additional Professional Services

If it should become necessary for the Village to request that the auditor render any additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed upon the execution of a separate engagement letter pursuant to the fee proposed in response to this RFP. Please include hourly rates or fee for service for any additional services not included in the scope of services outlined in this request for proposal to be performed only at the written request of the Village. Any additional work requests will be consistent with governing laws and regulations as well as best practices.

H. Manner of Payment

Progress payments will be made according to fixed contractual fees and any incidental out-of-pocket expenses (i.e. CAFR materials) incurred in accordance with the successful responding firm's dollar cost bid proposal. Interim progress billings during the course of the audit will be permitted.

I. Standard Village Responsibilities for Audit

The Village will:

1. Prepare confirmation letters;
2. Prepare and generate unaudited trial balances for all funds;
3. Prepare the management's discussion and analysis (MD&A) and the exhibits in the statistical section of the CAFR;
4. Provide budget figures in a format that can be used in the CAFR;
5. Provide all standard client prepared workpapers and schedules for assets, liabilities, expenses and revenues as applicable; and
6. Provide a reasonable workspace with adequate seating for up to five individuals and supporting equipment brought in and used by auditors.

Any other supporting work expected to be provided by the Village should be described in the proposal.

V. EVALUATION OF PROPOSALS

A. Evaluation Process

1. Proposals will be evaluated by a Selection Committee consisting of the Chief Financial Officer and other delegated staff.
2. The Selection Committee will evaluate the technical proposal submitted by each Respondent using the criteria shown in this request for proposal.
3. The Selection Committee will select that proposal which is judged to be the most responsive to the Village requirements, and based on experience and fees, appears to best serve the Village.
4. The Board of Trustees will review the recommendation of the Selection Committee and, if in agreement, will vote on acceptance of the proposal and corresponding contract.

B. Selection Criteria

Proposals will be evaluated based on the following primary criteria:

- The responding firm is independent and licensed to practice in Illinois;
- The firm has no conflict of interest with regard to any other work performed by the firm for the Village;
- The responding firm adheres to the instructions in this Request for Proposals on preparing and submitting its bid;
- The responding firm's professional personnel have received adequate continuing professional education pertinent to municipal audits;
- The responding firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work;
- The responding firm's availability not only during the examination but on an informal and as-needed basis to answer questions or provide expertise on any particular issues that may arise throughout the contractual period;
- Evaluation of the project personnel's qualifications, experience and continuing professional education is pertinent to the audit of governments;
- Success of the responding firm in preparing CAFRs that have received GFOA "Certificate of Achievement for Excellence in Financial Reporting" award;
- Adequacy of proposed staffing plan for various segments of the engagement;
- Ability of the firm to complete the audit and present the CAFR and management letter within the time frame required in this request for proposal;
- Proposed fixed fees for audit;
- Proposed hourly fees for non-audit work on an as-needed basis; and
- Agreement to the terms and conditions set forth in the Professional Services Agreement included as Appendix D attached hereto.

C. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request an interview or oral presentation with certain respondents. Not all firms may be invited for an interview or to give a presentation.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted. The Village reserves the right without prejudice to reject any or all proposals.

APPENDIX A: PROPOSAL COST FORM

Schedule of Professional fees for the audit of the financial statements as of December 31 for the fiscal years listed below:

				Optional	Optional
<u>Audit Fees:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Village audit					
TIF compliance reports					
Single Audit (if necessary)					
Library audit					

Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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<u>Total Hours:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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Village audit
 Police Pension audit
 Fire Pension audit
 TIF
 Single Audit (if necessary)
 Library audit

Total	_____	_____	_____	_____	_____
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Detail in percentages and hours the amount of time to be put in on the audit by the following categories:

	<u>Percent</u>	<u>Hours</u>	<u>Hourly Rate</u>
Partner	_____	_____	_____
Manager	_____	_____	_____
In-Charge Accountants	_____	_____	_____
Staff Accountants	_____	_____	_____
Clerical	_____	_____	_____
Other _____	_____	_____	_____
Total	100%	_____	

Firm Name: _____

Address: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Telephone Number: _____

APPENDIX B: E.E.O. REPORT

Please fill out this form completely. Failure to respond truthfully to any questions on this form, or failure to cooperate fully with any further inquiry by the Village of Oak Park will result in disqualification of this proposal. An incomplete form will disqualify your proposal. For assistance in completing this form, contact Steven Drazner at 708-358-5462.

An EEO-1 Report may be submitted in lieu of this report

1. Vendor Name: _____
2. Check here if your firm is:
☐ MBE
☐ WBE
☐ Non-MBE/WBE
3. What is the size of the firm's current stable work force?
☐ Number of full-time employees
☐ Number of part-time employees
4. Forms will be furnished to the lowest proposer (vendor) with the notice of contract award, and these forms must be completed and submitted to the Village before the execution of the contract by the Village.

APPENDIX C: NO PROPOSAL EXPLANATION

If your firm does not wish to submit a proposal based on the attached specifications, please return this form along with any comments you may have that prevented your firm from submitting a proposal.

Proposal: **Village of Oak Park Auditing Services**

Comments:

Signed: _____

Phone: _____

E-Mail Address: _____



APPENDIX D

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____, 2018, between the Village of Oak Park, an Illinois home rule municipal corporation (hereinafter referred to as the "Village"), and _____, a/an _____ corporation authorized to conduct business in the State of Illinois (hereinafter referred to as the "Contractor").

RECITALS

WHEREAS, the Village intends to have professional services performed by the Contractor to provide financial audits for a three year term ("services") with two optional years; and

WHEREAS, the Village issued a request for proposal ("RFP") for said services dated June 4, 2018; a copy which is attached hereto and incorporated herein as reference, and;

WHEREAS, the Contractor has represented to the Village that it has necessary expertise to perform its services for the Project and has expressed its willingness to furnish its services subject to terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. RECITALS INCORPORATED.

The above recitals are incorporated herein as though fully set forth.

2. SERVICES OF THE CONTRACTOR.

2.1. Contractor shall provide the Services set forth herein pursuant to the timeline set forth within the RFP and its proposal. Prior to the start of each annual audit, the Contractor shall furnish the Village with an engagement letter outlining the services to be provided. The services provided must be at a level for full Village compliance with current GASB standards as well as allow the Village to submit and receive the GFOA Certificate of Achievement in Financial Reporting Excellence.

2.2. The Contractor shall be responsible for any delay in the Services to be provided pursuant to this Agreement due to the Contractor's failure to provide any required submittal in conformance with this Agreement.

2.3. In case of a conflict between a provision of the Contractor's Proposal and this Agreement or the RFP, this Agreement or the Village's RFP shall control to the extent of such conflict.

2.4. Village Authorized Representative. The Village's Chief Financial Officer or the Chief Financial Officer's designee shall be deemed the Village's authorized representative, unless applicable law requires action by the Corporate Authorities, and shall have the power and authority to make or grant or do those things, certificates, requests, demands, approvals, consents notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the Village and with the effect of binding the Village as limited by this Agreement. The Contractor is entitled to rely on the full power and authority of the person executing this Agreement on behalf of the Village as having been properly and legally given by the Village. The Village shall have the right to change its authorized representative by providing the Contractor with written notice of such change which notice shall be sent in accordance with Section 18 of this Agreement.

2.5. Contractor's Authorized Representative. In connection with the foregoing and other actions to be taken under this Agreement, the Contractor hereby designates _____ as its authorized representative who shall have the power and authority to make or grant or do all things, certificates, requests, demands, approvals, consents, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the Contractor and with the effect of binding the Contractor. The Village is entitled to rely on the full power and authority of the person executing this Agreement on behalf of the Contractor as having been properly and legally given by the Contractor. The Contractor shall have the right to change its Authorized Representative by providing the Village with written notice of such change which notice shall be sent in accordance with Section 18 of this Agreement.

2.6. The Contractor shall be an independent contractor to the Village. The Contractor shall solely be responsible for the payment of all salaries, benefits and costs of supplying personnel for the Services.

3. COMPENSATION FOR SERVICES.

3.1. The Village shall compensate the Contractor for the Services pursuant to the agreed upon fee schedule as indicated in Exhibit A. The Contractor may issue progress billings upon the start of each annual audit engagement through its conclusion or may submit one invoice upon the conclusion of the engagement for the full amount.

3.2. The Village may, at any time, by written order, make changes within the general scope of this Agreement in the Services to be performed by the Contractor. If such changes cause an increase or decrease in the amount to be paid to Contractor or time required for performance of any Services under this Agreement, whether or not changed by any order, an equitable adjustment shall be made and this Agreement shall be modified in writing accordingly. No service for which additional compensation will be charged by the Contractor shall be furnished without the written authorization of the Village.

3.3. Notwithstanding any other provision of this Agreement and without prejudice to any of the Village's rights or remedies, the Village shall have the right at any time or times to withhold from any payment such amount as may reasonably appear necessary to compensate the Village for any actual or prospective loss due to: (1) Services that are defective, damaged, flawed, unsuitable, nonconforming, or incomplete; (2) damage for which the Contractor is liable under this Agreement; (3) claims of subcontractors, suppliers, or other persons performing Contractors Services; (4) delay in the progress or completion of the Services; (5) inability of the Contractor to complete the Services; (6) failure of the Contractor to properly complete or document any pay request; (7) any other failure of Contractor to perform any of its obligations under this Agreement; or (8) the cost to the Village, including attorneys' fees and administrative costs, of correcting any of the aforesaid matters or exercising any one or more of the Village's remedies set forth in this Agreement. The Village must notify the Contractor of cause for withholding within fourteen (14) days of receiving invoice.

3.4. The Village shall be entitled to retain any and all amounts withheld pursuant to this Agreement until the Contractor shall have either performed the obligations in question or furnished security for such performance satisfactory to the Village. The Village shall be entitled to apply any money withheld or any other money due the Contractor under this Agreement to reimburse itself for any and all costs, expenses, losses, damages, liabilities, suits, judgments, awards, attorneys' fees, and administrative expenses incurred, suffered, or sustained by the Village and chargeable to the Contractor under this Agreement.

3.5. The Contractor's Services shall be considered complete on the date of final written acceptance by the Village, which acceptance shall not be unreasonably withheld or delayed. As soon as practicable after final acceptance, the Village shall pay to the Contractor the balance of any amount due and owing under this Agreement, after deducting therefrom all charges against the Contractor as provided for in this Agreement ("Final Payment"). The acceptance by Contractor of Final Payment with respect to the Services shall operate as a full and complete release of the Village of and from any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses of, by, or to the Contractor for anything done, furnished for, arising out of, relating to, or in connection with the Services, except for such claims as the Contractor reserved in writing at the time of submitting its invoice for final payment.

4. TERM AND TERMINATION.

4.1. This Agreement shall take effect upon execution of this agreement and conclude by the earlier of completion of services as outlined under this agreement or June 30, 2021 (which covers audit years FY18, FY19, and FY20). However, the agreement may be extended through June 30, 2023 in order to include up to two additional optional audit years at the Village's sole discretion.

4.2. This Agreement may be terminated, in whole or in part, by either party if the other party substantially fails to fulfill its obligations under this Agreement through no fault of the terminating party. The Village may terminate this Agreement, in whole or in part, for its convenience. No such termination may be effected unless the terminating party gives the other party (1) not less than ten (10) calendar days' written notice pursuant to Section 18 below of its intent to terminate.

4.3. If this Agreement is terminated by either party, the Contractor shall be paid for Services performed to the effective date of termination, including reimbursable expenses. In the event of termination, the Village shall receive reproducible copies of drawings, specifications and other documents completed by the Contractor pursuant to this Agreement.

5. INDEMNIFICATION.

5.1. To the fullest extent permitted by law, the Contractor hereby agrees to defend, indemnify and hold harmless the Village, its officers, employees, agents, and volunteers against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, including, but not limited to, reasonable attorney's fees and court costs (hereinafter referred to as "Claims") which may accrue against the Village, its officers, employees, agents and volunteers, arising out of the negligent performance of the work by the Contractor, its employees, or subcontractors, except for the negligence of the Village, its officers, officials employees, agents or volunteers. The Contractor's duty to defend shall not apply with respect to any Claims that arise from the performance of professional services.

6. INSURANCE.

6.1. The Contractor shall, at the Contractor's expense, secure and maintain in effect throughout the duration of this Agreement, insurance of the following kinds and limits set forth in this Section 6. The Contractor shall furnish Certificates of Insurance to the Village before starting work or within ten (10) days after the notice of award of the Agreement, which ever date is reached first. All insurance policies, except professional liability insurance, shall be written with insurance companies licensed to do business in the State of Illinois and having a rating of at least A according to the latest edition of the Best's Key Rating Guide; and shall include a provision preventing cancellation of the insurance policy unless fifteen (15) days prior written notice is given to the Village. This provision shall also be stated on each Certificate of

Insurance: "Should any of the above described policies be canceled before the expiration date, the issuing company shall mail fifteen (15) days' written notice to the certificate holder named to the left." The Contractor shall require any of its subcontractors to secure and maintain insurance as set forth in this Section 6 and indemnify, hold harmless and defend the Village, its officers, officials, employees, agents and volunteers as set forth in this Agreement.

6.2. The limits of liability for the insurance required shall provide coverage for not less than the following amounts, or greater where required by law:

(A) **Commercial General Liability:**

- i. Coverage to include, Broad Form Property Damage, Contractual and Personal Injury.
- ii. Limits:

General Aggregate	\$ 2,000,000.00
Each Occurrence	\$ 1,000,000.00
Personal Injury	\$ 1,000,000.00
- iii. Cover all claims arising out of the Contractor's operations or premises, anyone directly or indirectly employed by the Contractor.

(B) **Professional Liability:**

- i. Per Claim/Aggregate \$2,000,000.00
- ii. Cover all claims arising out of the Contractor's operations or premises, anyone directly or indirectly employed by the Contractor, and the Contractor's obligations under the indemnification provisions of this Agreement to the extent same are covered.

(C) **Workers' Compensation:**

- i. Workers' compensation insurance shall be in accordance with the provisions of the laws of the State of Illinois.

(D) **Umbrella:**

- i. Limits:

Each Occurrence/Aggregate	\$2,000,000.00
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- (E) The Village, its officers, officials, employees, agents and volunteers shall be named as an additional insured on all insurance policies identified herein except workers' compensation and professional liability. The Contractor shall be responsible for the payment of any deductibles for said insurance policies. The coverage shall contain no special limitations on the scope of protection afforded to the Village, its officers, officials, employees, agents and volunteers.

6.3. The Village and the Contractor agree to waive against each other all claims for special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.

6.4. The Contractor understands and agrees that, except as to Professional Liability, any insurance protection required by this Agreement or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless, and defend the Village its officers, officials, employees, agents and volunteers as herein provided. The Consultant waives and agrees to require its insurers to waive its rights of subrogation against the Village, its officers, officials, employees, agents and volunteers. as herein provided.

7. SUCCESSORS AND ASSIGNS.

7.1. The Village and the Contractor each bind themselves and their partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement. Except as above, neither the Village nor the Contractor shall assign, sublet or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body that may not be a party hereto, nor shall it be construed as giving any right or benefits hereunder to anyone other than the Village and the Contractor.

8. FORCE MAJEURE.

8.1. Neither the Contractor nor the Village shall be responsible for any delay caused by any contingency beyond their control, including, but not limited to: acts of nature, war or insurrection, strikes or lockouts, walkouts, fires, natural calamities, riots or demands or requirements of governmental agencies.

9. AMENDMENTS AND MODIFICATIONS.

9.1. This Agreement may be modified or amended from time to time provided, however, that no such amendment or modification shall be effective unless reduced to writing and duly authorized and signed by the authorized representative of the Village and the authorized representative of the Contractor.

10. STANDARD OF CARE.

10.1. The Contractor is responsible for the quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports and other professional services furnished or required under this Agreement, and shall endeavor to

perform such services with the same skill and judgment which can be reasonably expected from similarly situated professionals.

10.2. The Contractor shall be responsible for the accuracy of its professional Services under this Agreement and shall promptly make revisions or corrections resulting from its errors, omissions, or negligent acts without additional compensation. The Village's acceptance of any of Contractor's professional services shall not relieve Contractor of its responsibility to subsequently correct any such errors or omissions, provided the Village notifies Contractor thereof within one year of completion of the Contractor's Services.

10.3. The Contractor shall respond to the Village's notice of any errors and/or omissions within seven (7) days of written confirmation by the Contractor of the Village's notice. Such confirmation may be in the form of a facsimile confirmation receipt by the Village, or by actual hand delivery of written notice by the Village to the Contractor.

10.4. The Contractor shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

10.5. The Contractor shall give all notices, pay all fees, and take all other action that may be necessary to ensure that the Services are provided, performed, and completed in accordance with all required governmental permits, licenses, and other approvals and authorizations that may be required in connection with providing, performing, and completing the Services, and with all applicable statutes, ordinances, rules, and regulations, including, but not limited to, the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes prohibiting discrimination because of, or requiring affirmative action based on race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 *et seq.*, and the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* The Contractor shall also comply with all conditions of any federal, state, or local grant received by the Village or the Contractor with respect to this Agreement.

10.6. The Contractor shall be solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with the Contractor's, or its subcontractors', performance of, or failure to perform, the Services required pursuant to this Agreement or any part thereof.

11. DRAWINGS, DOCUMENTS AND BOOKS AND RECORDS.

11.1. Drawings, plans, specifications, photos, reports, information, observations, calculations, notes and any other reports, documents, data or information, in any form, prepared, collected, or received by the Contractor in connection with any or all of the Services to be provided pursuant to this Agreement (“Documents”) shall be and remain the property of the Village upon completion of the project and payment to the Contractor all amounts then due under this Agreement. At the Village’s request, or upon termination of this Agreement, the Documents shall be delivered promptly to the Village. The Contractor shall have the right to retain copies of the Documents for its files. The Contractor shall maintain files of all Documents unless the Village shall consent in writing to the destruction of the Documents, as required herein.

11.2. The Contractor’s Documents and records pursuant to this Agreement shall be maintained and made available during performance of Project Services under this Agreement and for three (3) years after completion of the Project. The Contractor shall give notice to the Village of any Documents to be disposed of or destroyed and the intended date after said period, which shall be at least ninety (90) days after the effective date of such notice of disposal or destruction. The Village shall have ninety (90) days after receipt of any such notice to given notice to the Contractor not to dispose of or destroy said Documents and to require Contractor to deliver same to the Village, at the Village’s expense. The Contractor and any subcontractors shall maintain for a minimum of three (3) years after the completion of this Agreement, or for three (3) years after the termination of this Agreement, whichever comes later, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with the Agreement. The Agreement and all books, records and supporting documents related to the Agreement shall be available for review and audit by the Village and the federal funding entity, if applicable, and the Contractor agrees to cooperate fully with any audit conducted by the Village and to provide full access to all materials. Failure to maintain the books, records and supporting documents required by this subsection shall establish a presumption in favor of the Village for recovery of any funds paid by the Village under the Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement. The Contractor shall make the Documents available for the Village’s review, inspection and audit during the entire term of this Agreement and three (3) years after completion of the Project as set forth herein and shall fully cooperate in responding to any information request pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.* by providing any and all responsive documents to the Village.

11.3. The Contractor shall furnish all records related to this Agreement and any documentation related to the Village required under an Illinois Freedom of Information Act (ILCS 140/1 *et. seq.*) (“FOIA”) request within five (5) business days after the Village issues notice of such request to the Contractor. The Contractor shall not apply any costs or charge any fees to the Village regarding the procurement of records required pursuant to a FOIA request. The

Contractor shall defend, indemnify, and hold harmless the Village, and agrees to pay all reasonable costs connected therewith (including, but not limited to reasonable attorney's and witness fees, filing fees, and any other expenses) for the Village to defend any and all causes, actions, causes of action, disputes, prosecutions, or conflicts arising from the Contractor's actual or alleged violation of the FOIA, or the Contractor's failure to furnish all documentation related to a request within five (5) days after the Village issues notice of a request. Furthermore, should the Contractor request that the Village utilize a lawful exemption under FOIA in relation to any FOIA request thereby denying that request, the Contractor agrees to pay all costs connected therewith (such as reasonable attorney's and witness fees, filing fees, and any other expenses) to defend the denial of the request. The defense shall include, but not be limited to, challenged or appealed denials of FOIA requests to either the Illinois Attorney General or a court of competent jurisdiction. The Contractor shall defend, indemnify, and hold harmless the Village, and agrees to pay all costs connected therewith (such as reasonable attorney's and witness fees, filing fees and any other expenses) to defend any denial of a FOIA request by the Contractor's request to utilize a lawful exemption to the Village.

11.4. The Contractor shall have the right to include among the Contractor's promotional and professional materials those drawings, renderings, other design documents and other work products that are prepared by the Contractor pursuant to this Agreement (collectively "Work Products"). The Village shall provide professional credit to the Contractor in the Village's development, promotional and other materials which include the Contractor's Work Products.

12. SAVINGS CLAUSE.

12.1. If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

13. NON-WAIVER OF RIGHTS.

13.1. No failure of either party to exercise any power given to it hereunder or to insist upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under this agreement shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

13.2. This Agreement shall not prohibit the Contractor from providing its Services to any other public or private entity or person. In the event that the Contractor provides Services to a public or private entity or person, the Village, at its sole discretion, may determine that such Services conflict with a service to be provided to the Village by Contractor, and the Village may select another vendor to provide such Services as the Village deems appropriate.

14. THE VILLAGE'S REMEDIES.

14.1. If it should appear at any time prior to final payment that the Contractor has failed or refused to prosecute, or has delayed in the prosecution of, the Services to be provided pursuant to this Agreement with diligence at a rate that assures completion of the Services in full compliance with the requirements of this Agreement, or has attempted to assign this Agreement or the Contractor's rights under this Agreement, either in whole or in part, or has falsely made any representation or warranty, or has otherwise failed, refused, or delayed to perform or satisfy any other requirement of this Agreement or has failed to pay its debts as they come due ("Event of Default"), and has failed to cure, or has reasonably commenced to cure any such Event of Default within fifteen (15) business days after Contractor's receipt of written notice of such Event of Default, then the Village shall have the right, at its election and without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:

14.1.1. The Village may require the Contractor, within such reasonable time as may be fixed by the Village, to complete or correct all or any part of the Services that are defective, damaged, flawed, unsuitable, nonconforming, or incomplete and to take any or all other action necessary to bring the Services into compliance with this Agreement;

14.1.2. The Village may accept the defective, damaged, flawed, unsuitable, nonconforming, incomplete, or dilatory Services or part thereof and make an equitable reduction in the Contract Price;

14.1.3. The Village may terminate this Agreement without liability for further payment of amounts due or to become due under this Agreement except for amounts due for Services properly performed prior to termination;

14.1.4. The Village may withhold any progress payment or final payment from the Contractor, whether or not previously approved, or may recover from Contractor, any and all costs but not exceeding the amount of the Contract Price, including attorneys' fees and administrative expenses, incurred by the Village as the result of any Event of Default or as a result of actions taken by the Village in response to any Event of Default; or

14.1.5. The Village may recover any damages suffered by the Village as a result of the Contractor's Event of Default.

15. NO COLLUSION.

15.1. The Contractor hereby represents and certifies that the Contractor is not barred from contracting with a unit of state or local government as a result of: (1) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Contractor is

contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of the tax, as set forth in 65 ILCS 5/11-42.1-1; or (2) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 *et seq.* The Contractor hereby represents that the only persons, firms, or corporations interested in this Agreement are those disclosed to the Village prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that Contractor has in procuring this Agreement, colluded with any other person, firm, or corporation, then the Contractor shall be liable to the Village for all loss or damage that the Village may suffer thereby, and this Agreement shall, at the Village's option, be null and void and subject to termination by the Village.

16. ENTIRE AGREEMENT.

16.1. This Agreement sets forth all the covenants, conditions and promises between the parties, and it supersedes all prior negotiations, statements or agreements, either written or oral, with regard to its subject matter. There are no covenants, promises, agreements, conditions or understandings between the parties, either oral or written, other than those contained in this Agreement.

17. GOVERNING LAW AND VENUE.

17.1. This Agreement shall be governed by the laws of the State of Illinois both as to interpretation and performance.

17.2. Venue for any action brought pursuant to this Agreement shall be in the Circuit Court of Cook County, Illinois.

18. NOTICE.

18.1. Any notice required to be given by this Agreement shall be deemed sufficient if made in writing and sent by certified mail, return receipt requested, by personal service or electronic transmission to the persons and addresses indicated below or to such other addresses as either party hereto shall notify the other party of in writing pursuant to the provisions of this subsection:

Village Manager
Village of Oak Park
123 Madison Street
Oak Park, Illinois 60302
Email: villagemanager@oak-park.us

Email: _____

18.2. Mailing of such notice as and when above provided shall be equivalent to personal notice and shall be deemed to have been given at the time of mailing.

18.3. Notice by electronic transmission shall be effective as of date and time of electronic transmission, provided that the notice transmitted shall be sent on business days during business hours (9:00 a.m. to 5:00 p.m. Chicago time). In the event electronic notice is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after transmission.

19. BINDING AUTHORITY.

19.1. The individuals executing this Agreement on behalf of the Contractor and the Village represent that they have the legal power, right, and actual authority to bind their respective parties to the terms and conditions of this Agreement.

20. HEADINGS AND TITLES.

20.1. The headings or titles of any provisions of this Agreement are for convenience or reference only and are not to be considered in construing this Agreement.

21. COUNTERPARTS; FACSIMILE OR PDF SIGNATURES.

21.1. This Agreement may be executed in counterparts, each of which shall be considered an original and together shall be one and the same Agreement.

21.2. A facsimile or pdf/email copy of this Agreement and any signatures thereon will be considered for all purposes as an original.

22. EFFECTIVE DATE.

22.1. As used in this Agreement, the Effective Date of this Agreement shall be the date that the Village Manager for the Village of Oak Park executes this Agreement as set forth below.

23. AUTHORIZATIONS.

23.1 The Contractor's authorized representatives who have executed this Agreement warrant that they have been lawfully authorized by the Contractor's board of directors or its by-laws to execute this Agreement on its behalf. The Village Manager warrants that she has been lawfully authorized to execute this Agreement. The Contractor and the Village shall deliver upon request to each other copies of all articles of incorporation, bylaws, resolutions, ordinances or other documents which evidence their legal authority to execute this Agreement on behalf of their respective parties.

24. EQUAL OPPORTUNITY EMPLOYER.

24.1. The Contractor is an equal opportunity employer and the requirements of 44 Ill. Adm. Code 750.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGES FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives on the dates set forth below.

VILLAGE OF OAK PARK

By: Cara Pavlicek
Its: Village Manager

By:
Its:

Dated: _____, 2018

Dated: _____, 2018

ATTEST

ATTEST

By: Vicki Scaman
Its: Village Clerk

By:
Its:

Dated: _____ 2018

Dated: _____, 2018