



CONTRACT DOCUMENT
FOR

CITY OF PONTIAC
INDEPENDENT AUDIT SERVICES
HS & S, LLC DVA HAVEN GROUP CPAS & ADVISORS

CITY OF PONTIAC – DEPARTMENT OF FINANCE

PURCHASING DIVISION

Contract Expiration Date: June 30, 2026

Contract - NOT TO EXCEED AMOUNT - \$87,500 (Fiscal Year 2022-23)

\$87,500 (Fiscal Year 2023-24); \$93,000 (Fiscal Year 2024-25); \$93,000 (Fiscal Year 2025-26)

This Contract effective as of July 1, 2023 ("Contract"), between the CITY OF PONTIAC, a Municipal corporation, whose address is 47450 Woodward Ave., Pontiac, Michigan ("City"), and **HS & S, LLC DBA HAVEN GROUP CPAs & ADVISORS**, a **Michigan Limited Liability Company**, whose address is **20500 Eureka Road, Suite 300** ("Contractor"). In this Contract, either the City or Contractor may also be referred to individually as a "Party" or jointly as the "Parties".

This Contract is organized and divided into the following "Section" or "Sections" for the convenience of the Parties.

SECTION 1. CONTRACT DOCUMENTS AND DEFINITIONS

SECTION 2. CONTRACT EFFECTIVE DATE AND TERMINATION

SECTION 3. SCOPE OF CONTRACTOR'S SERVICES

SECTION 4. CITY PAYMENT OBLIGATION FOR CONTRACTOR'S SERVICES

SECTION 5. CONTRACTOR ASSURANCES AND WARRANTIES

SECTION 6. CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION

SECTION 7. GENERAL TERMS AND CONDITIONS

In consideration of the mutual promises, obligations, representations, and assurances in this Contract, the Parties agree to the following:

§1. CONTRACT DOCUMENTS AND DEFINITIONS

The following words and expressions when printed with the first letter capitalized as shown herein, whether used in the singular or plural, possessive or non-possessive, and/or either within or without quotation marks, shall be defined and interpreted as follows:

- 1.1.** "City" means the City of Pontiac, a Michigan Municipal Corporation, its council, elected officials and officers, departments and "City Agent" as defined below.
- 1.2.** "City Agent" means all elected and appointed officials, directors, council members, employees working on behalf of the City, volunteers, representatives, and/or any such persons' successors (whether such person act or acted in their personal representative or official capacities), and/or any persons acting by, through, under, or in concert with any of them. "City agent" shall also include any person who was a "City

agent" anytime during the term of this Contract but, for any reason, is no longer employed, appointed, or elected and serving as an Agent.

- 1.3. "Contract Administrator" or "City Representative" means the individual by the City to act as a liaison between the City and the Contractor. Any questions or problems the Contractor may have concerning the work under this Contract should be directed to this individual.
- 1.4. "Contract Documents" means the following documents which are included and fully incorporated into this Contract:
 - 1.4.1 **Exhibit A: City's Request for Proposal – Solicitation No. 23-206-002**
 - 1.4.2 **Exhibit B: Contractor's Proposal**
- 1.5. "Contractor Employee" means without limitation, any employees, officers, directors, members, managers, trustees, volunteers, attorneys, and representatives of Contractor, and also includes any Contractor licensees, concessionaires, contractors, subcontractors, independent contractors, contractor's suppliers, subsidiaries, joint ventures or partners, and/or any such persons, successors or predecessors, employees, (whether such persons act or acted in their personal, representative or official capacities), and/or any and all persons acting by, through, under, or in concert with any of the above. "Contractor Employee" shall also include any person who was a Contractor Employee at anytime during the term of this contract but, for any reason, is no longer employed, appointed, or elected in that capacity.
- 1.6. "Subcontractor" includes only those having a direct contact with the Contractor in the way of labor. One who merely furnishes material to the Contractor is not included in this definition.
- 1.7. "Claims" means any alleged losses, claims, complaints, demands for relief or damages, suits, causes of action, proceedings, judgments, deficiencies, liability, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or asserted against the City, or for which the City may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
- 1.8. "Day" means any calendar day, which shall begin at 12:00:00 a.m. and end at 11:59:59 p.m.
- 1.9. "Working Day" means any calendar day except Saturday, Sunday, and legal holidays as determined by the City.
- 1.10. "Written Notice" shall be considered properly served if delivered in person to the Contractor, or to a member or office of his/her company; also if delivered at, or sent by registered mail to, the last known business address of the Contractor.
- 1.11. "Intellectual Property" means any developments, improvements, designs, innovation, and materials that may be the subject of a trademark/servicemark, copyright or patent, trade secrets or Proprietary Information.
- 1.12. "Proprietary Information" means ideas, concepts, inventions and processes related to the development and operation of computer software and systems such as source code, object code, security procedures and passwords.

§2. CONTRACT EFFECTIVE DATE AND TERMINATION

- 2.1.** The effective date of this Contract shall be as stated on the first page of this Contract, and unless otherwise terminated or canceled as provided below, it shall end at 11:59:59 p.m. on the "Contract Expiration Date" shown on the first page of this Contract, at which time this Contract expires without any further act or notice of either Party being required. The Parties are under no obligation to renew or extend this Contract after Contract Expiration Date. Notwithstanding the above, under no circumstances shall this Contract be effective and binding and no payments to the Contractor shall be due or owing for any Contractor services until and unless:
- 2.1.1.** This Contract is signed by a Contractor Employee, legally authorized to bind the Contractor.
 - 2.1.2.** Any and all Contractor Certificates of Insurance and any other conditions precedent to the Contract have been submitted and accepted by the City.
 - 2.1.3.** This Contract is signed by the City of Pontiac Mayor or his designee, as provided for on the signature page of this Contract, who shall be the final signatory to this Contract.
- 2.2.** The City may terminate and/or cancel this Contract (or any part thereof) at any time during the term, any renewal, or any extension of this Contract, upon Thirty (30) days written notice to the Contractor, for any reason, including convenience without incurring obligation or penalty of any kind. Notwithstanding the above, if the City is being reimbursed for any cost or expenses incurred under this Contract by any third party, including any Federal, State or local governmental agency, and any such third party funding is terminated, the City may terminate, end or cancel this Contract immediately upon written notice to the Contractor. The effective date for termination or cancellation shall be clearly stated in the written notice.
- 2.3.** The City's sole obligation in the event of termination is for payment for actual services rendered by the Contractor before the effective date of termination. Under no circumstances shall the City be liable for any future loss of income, profits, any consequential damages or any loss of business opportunities, revenues, or any other economic benefit Contractor may have realized but for the termination and/or cancellation of this Contract. The City shall not be obligated to pay Contractor any cancellation or termination fee if this Contract is cancelled or terminated as provided herein.
- 2.5.** Under no circumstances shall the City be obligated to pay the contractor for any Services rendered or Goods delivered which have not been invoiced, as required herein, within sixty (60) days of the date such Goods were actually delivered to the City or Services were actually rendered pursuant to this Contract.

3. SCOPE OF CONTRACTOR'S SERVICES

- 3.1** Services. The Contractor shall provide **Independent Audit Services**. The Contractor shall perform all Scope of Service as identified in **Exhibits A, Section 4**.

- Except as otherwise provided herein, the Contractor shall furnish all labor, supervision, and services necessary to execute and complete the work correctly.

- The City's Mayor, Deputy Mayor and Finance Director, who the Mayor may assign as a designee, shall have permission to contact Contractor to request Services.
- The Contractor will forward all questions, as they arise, to the Finance Director regarding the Scope of Service, and to the Purchasing Manager as it relates to contract and purchase order.

3.2 Quality Control. The Contractor shall institute and maintain throughout the contract period a properly documented quality control program designed to ensure that the services are provided at all times and in all respects in accordance with the contract. The program shall include providing daily supervision and conducting frequent inspections of the Contractor's staff and ensuring that accurate records are maintained describing the disposition of all complaints. The records so created shall be open to inspection by the City.

3.3 City property. The Contractor will be responsible for the proper custody and care of any City-owned property furnished for the Contractor's use in connection with the performance of this contract. The Contractor will reimburse, replace or restore the City for any loss or damage, normal wear and tear excepted.

4. CITY PAYMENT OBLIGATIONS FOR CONTRACTOR'S SERVICES

4.1. Except as otherwise expressly provided for in this Contract, the City's sole financial obligation to the Contractor for any services under this Contract shall be:

4.1.1. In no event, shall the City's amount due and owing the Contractor for any and all services rendered exceed the amount identified as the "NOT TO EXCEED AMOUNT" on the first page of this Contract. In the event the Contractor can reasonably foresee the total billings for its services will exceed this "NOT TO EXCEED AMOUNT", the Contractor shall provide the City with notice of this contingency at least fifteen (15) Days before this event.

4.1.2 The Contractor shall submit an invoice to the City which shall itemize all amounts due and/or owing by the City under this Contract, as the date of the invoice. The City shall have no obligation to make payment until a proper invoice of service is submitted. The City reserves the right to make partial payments on account of the amount due the Contractor as the work progresses.

4.1. Method of Payment. Method of Payment as specified in **Exhibit A**. Contractor shall invoice for the Scope of Services that the Contractor will render. Contractor must email all invoices to accountspayable@pontiac.mi.us for processing. Final payment for the work performed under this Contract shall not be made until all work is satisfactorily performed and final clean-up has been performed. Contractor will be paid 30 days after completion of work as outlined in the Scope of Services after submission of a valid invoice.

4.2. Under no circumstances shall the City be responsible for any cost, fee, fine, penalty, or direct, indirect, special, incidental or consequential damages incurred or suffered

by Contractor in connection with or resulting from the Contractor's providing any services under this Contract.

- 4.3. The City has the right to offset any amounts due and owing to the Contractor should the City incur any cost associated with this Contract that is the obligations of Contractor under this Contract. This includes withholding payment in the amount of any City provided equipment, or supplies (if applicable) that are not returned by Contractor upon completion of the services provided under this Contract.
- 4.4. This Contract does not authorize any in-kind services by either Party, unless expressly provided herein.
- 4.5. Change Order Process. Changes in the Contract, Contract price or Scope of Work shall only occur in writing via a "Contract Change Order". Contract Change Orders shall be used to reflect additions to, reductions in, or changes to the Scope of Work (Exhibit A), or the Scope of Work that will be later defined for each home.
- 4.6. Ownership of documents and work papers. The City shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project which is the subject of this contract, except for the Contractor's internal administrative and quality assurance files and internal project correspondence. The Contractor shall deliver such documents and work papers to the City upon termination or completion of the contract.

5. CONTRACTOR'S ASSURANCES, WARRANTIES AND DEFAULT

- 5.1. The Contractor certifies that all statements, assurances, records, and materials submitted to City in connection with securing this Contract have been truthful, complete and accurate in all respects. The Contractor agrees and understands that any material false statement, representation or omission made in connection with its seeking or obtaining this Contract may be grounds for canceling or terminating this Contract and/or debaring the Contractor from future City contracts. The City's right to cancel this Contract as provided herein shall be in addition to any other rights the City has to terminate or cancel this Contract.
- 5.2. Service Warranty. Contractor warrants that all services performed hereunder will be performed in a manner that complies with all applicable laws, statutes, regulations, ordinances, and professional standards.
- 5.3. Business and Professional Licenses. The Contractor will obtain and maintain at all times during the term of this Contract all applicable business and professional licenses necessary to provide the contracted services.
- 5.4. Equipment and Supplies. The Contractor is responsible for providing equipment and supplies required to complete the specified services under the Contract unless otherwise expressly set forth in the Contract.

- 5.5. Taxes.** The Contractor shall pay, its own local, state and federal taxes, including without limitation, social security taxes, and unemployment compensation taxes. The City shall not be liable to or be required to reimburse the Contractor for any federal, state and local taxes or fees of any kind.
- 5.6. Contractor's Incidental Expenses.** Except as otherwise expressly provided in this Contract, the Contractor shall be solely responsible and liable for all costs and expenses incident to the performance of all services for the City including, but not limited to, any professional dues, association fees, license fees, fines, taxes, and penalties.
- 5.7. Tax Compliance.** Contractor agrees to contact the City of Pontiac Income Tax Division, Audit and Compliance Section, 47450 Woodward, Pontiac, Michigan 48342, to establish reporting and withholding obligations under the City of Pontiac Income Tax Ordinance. Contractors will require the same of all subcontractors employed to perform any work in the City of Pontiac.

Web page URL: http://www.pontiac.mi.us/departments/income_tax/index.php

Tax forms URL: http://www.pontiac.mi.us/departments/income_tax/tax_forms.php

- All contributions, taxes or premiums (including interest and penalties thereon) which may be payable under the Unemployment Insurance Law of any State, the Federal Social Security Act, Federal, State, County and/or Municipal Tax Withholding Act, Federal, State, County and/or Municipal Tax Withholding Laws, or any other law, measured upon the payroll of or required to be withheld from employees by whomsoever employed or engaged in the work to be performed and furnished under this contract.

5.8. Contractor Employees.

- 5.9.1** The Contractor shall employ and assign qualified Contractor Employees as necessary and appropriate to provide the services under this Contract. Contractor shall ensure all Contractor Employees have all the necessary knowledge, skill, and qualifications necessary to perform the required services and possess any necessary licenses, permits, certificates, and governmental authorizations as may be required by law.
- 5.9.2** The Contractor shall solely control, direct, and supervise all Contractor Employees with respect to all Contractor obligations under this Contract. The Contractor will be solely responsible for and fully liable for the conduct and supervision of any Contractor Employee.
- 5.9.3** (If Applicable) All Contractor Employees shall wear and display appropriate City provided identification at all times while working on City premises. The Contractor shall return all City provided identification when any of the following situations occur: (1) Upon completion of the last day of work provided under this Contract; (2) when a Contractor Employee has completed the work under

this Contract; or (3) when a Contractor Employee no longer works for Contractor.

5.9.4 All Contractor Employees assigned to work under this Contract may, at the City's discretion, be subject to a security check and clearance by the City.

5.9. Contractor Employee-Related Expenses. All Contractor Employees shall be employed at the Contractor's sole expense (including employment-related taxes and insurance) and the Contractor warrants that all Contractor Employees shall fully comply with and adheres to all of the terms of this Contract. The Contractor shall be solely and completely liable for any and all applicable Contractor Employee's federal, state, or local payment withholdings or contributions and/or any and all Contractor Employee related pension or welfare benefits plan contribution under federal or state law. The Contractor shall indemnify and hold the City harmless for all Claims against the City by any Contractor Employee, arising out of any contract for hire or employer-employee relationship between the Contractor and any Contractor Employee, including, but not limited to, Worker's Compensation, disability pay or other insurance of any kind.

5.10. Full Knowledge of Service Expectations and Attendant Circumstances. The Contractor warrants that before submitting its bid and entering into this Contract, it had a full opportunity to review the proposed services, examine all measurements, dimensions, and existing conditions of the work area for this Contract and to review all City requirements and expectations under this Contract. The Contractor is responsible for being adequately and properly prepared to execute and perform this Contract. The Contractor has satisfied itself in all material respects that it will be able to perform all obligations under the Contract as specified herein.

5.11. Independent Contractor. The Contractor's Relationship to the City Is that of an Independent Contractor. Nothing in this Contract is intended to establish an employer-employee relationship between the City and either the Contractor or any Contractor Employee. All Contractor Employees assigned to provide services under this Contract by the Contractor shall, in all cases, be deemed employees of the Contractor and not employees, agents or sub-contractors of the City.

5.12. Default. In addition, to a breach of the terms of any condition or warranty set forth in this Contract, the following events shall constitute a default of Contractor:

- Fails to supply complete labor and supervision in sufficient time and quantity to meet the City's progress schedule, as it may be modified.
- Causes stoppage or delay of, or interference with, the project.
- Fails to promptly pay its employees for work on the project.
- Fails to pay worker's compensation or other employee benefits, withholding or any other taxes.

- Fails to comply with the safety provisions of the Contract or with any safety order, regulation or requirement of any governing authority having jurisdiction over this project.
- Makes unauthorized changes in supervisory personnel without Notice to Contract Administrator.
- Fails in performance or observance of any of the provisions of the contract.
- Files a voluntary petition in bankruptcy or is adjudicated insolvent; obtains an order for relief under Section 301 of the Bankruptcy Code; files any petition or fails to contest any petition filed seeking any reorganization or similar relief under any laws relating to bankruptcy, insolvency or other relief of debtors; seeks or consents to or is acquiescent in the appointment of a trustee, receiver or liquidator of any of its assets or property; makes an assignment for the benefit of creditors; or Makes an admission, in writing, of its inability to pay its debts as they became due.

5.13. Then City, after giving Contractor written or oral (subsequently confirmed in writing) Notice of such default and forty-eight (48) hours within which to cure such default, shall have the right to exercise any one or more of the following remedies:

- Require that Contractor utilize, at its own expense, additional labor, overtime labor (including Saturday and Sunday work) and additional shifts as necessary to overcome the consequences of any delay attributable to Contractor's default.
- Remedy the default by whatever means City may deem necessary or appropriate, including, but not limited to, correcting, furnishing, performing or otherwise completing the work, or any part thereof, by itself or through others (utilizing where appropriate any materials and equipment previously purchased for that purpose by Contractor) and deducting the cost thereof from any monies due or to become due to Contractor hereunder;
 - After giving Contractor an additional forty-eight (48) hours written (or oral, subsequently confirmed in writing) notice, terminate this Contract, without thereby waiving or releasing any rights or remedies against Contractor or its sureties, and, by itself or through others, take possession of the work, and all materials, equipment facilities, tools, scaffolds and appliances of Contractor relating to the work, for the purposes of costs and other damages under the contract and for the breach thereof; and
 - Recover all reasonable attorneys' fees suffered or incurred by City by reason of, or as a result of, Contractor's default.

6. CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION

6.1. Indemnification. The Contractor shall indemnify and hold the City harmless from any and all Claims which are incurred by or asserted against the City by any person or entity, alleged to have been caused or found to arise, from the acts, performances, errors, or omissions of the Contractor or Contractor's Employees, including, without limitation, all Claims relating to injury or death of any person or damage to any property.

6.1.1 The indemnification rights contained in this Contract are in excess and over and above any valid and collectible insurance rights/policies. During the term of this Contract, if the validity or collectability of the Contractor's insurance is disputed by the insurance company, the Contractor shall indemnify the City for all claims asserted against the City and if the insurance company prevails, the Contractor shall indemnify the City for uncollectible accounts.

6.1.2 The Contractor shall have no rights against the City for any indemnification (e.g., contractual, equitable, or by implication), contribution, subrogation, and/or any other right to be reimbursed by the City except as expressly provided herein.

6.1.3 The Contractor waives and releases all actions, liabilities, loss and damage including any subrogated rights it may have against the City based upon any Claim brought against the City suffered by a Contractor Employee.

6.2 Contractor Provided Insurance.

6.2.1 At all times during this Contract, including renewals or extensions, Contractor shall obtain and maintain insurance according to the specifications and requirements set forth in **Exhibit A, Section 3.11** Bonds and Insurance.

7. GENERAL TERMS AND CONDITIONS

7.1. Cumulative Remedies. A Party's exercise of any remedy shall not preclude the exercise of any other remedies, all of which shall be cumulative. A Party shall have the right, in its sole discretion, to determine which remedies are to be exercised and in which order.

7.2. Survival of Terms and Conditions. The following terms and conditions shall survive and continue in full force beyond the termination and/or cancellation of this Contract (or any part thereof) until the terms and conditions are fully satisfied or expire by their very nature:

- "CONTRACTOR'S ASSURANCES AND WARRANTIES";
- "CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION";
- "Audit";
- "Severability";
- "Governing Law/Consent To Jurisdiction And Venue"; and

- "Survival of Terms And Conditions".

- 7.3.** City Right to Suspend Services. Upon written notice, the City may suspend performance of this Contract if Contractor has failed to comply with federal, state, or local laws, or any requirements contained in this Contract. The right to suspend services is in addition to the City's right to terminate and/or cancel this Contract. The City shall incur no penalty, expense, or liability to Contractor if the City suspends services under this Section.
- 7.4.** No Third-Party Beneficiaries. Except as provided for the benefit of the Parties or except as specifically set forth in the Contract, this Contract does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to be indemnified, right to be subrogated to the Parties' rights in this Contract, and/or any other right, in favor of any other person or entity.
- 7.5.** Compliance with Laws. Contractor shall comply with all federal, state, and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract, including zoning and building codes and MIOSHA guidelines.
- 7.6.** Permits and Licenses. Contractor shall be responsible for obtaining and maintaining throughout the term of this Contract all licenses, permits, certificates, and governmental authorizations necessary to perform all of its obligations under this Contract and to conduct business under this Contract. Upon request by the City, Contractor shall furnish copies of any permit, license, certificate or governmental authorizations necessary to provide services under this Contract. The Contractor shall deliver all certificates of inspection to the City, if applicable.
- The Contract Administrator or designee shall act as inspector for this project.
 - The inspector shall have access to the Work under this Contract.
- 7.7.** Discrimination. Contractor shall not discriminate against any employee or applicant for employment because of sex, race, religion, color, national origin, or handicap in violation of State and Federal law.
- Contractor shall promptly notify the City of any complaint or charge filed and/or determination by any Court or administrative agency of illegal discrimination by Contractor.
 - The City, in its discretion, may consider any illegal discrimination described above as a breach of this Contract and may terminate or cancel this Contract immediately with notice.
- 7.8.** Reservation of Rights. This Contract does not, and is not intended to impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the City.

- 7.9.** Force Majeure. Notwithstanding any other term or provision of this Contract, neither Party shall be liable to the other for any failure of performance hereunder if such failure is due to any cause beyond the reasonable control of that Party and that Party cannot reasonably accommodate or mitigate the effects of any such cause. Such cause shall include, without limitation, acts of God, fire, explosion, vandalism, any law, order, regulation, direction, action, or request of the United States government or of any other government, national emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor difficulties. Reasonable notice shall be given to the affected Party of any such event. The Contractor is expected, through insurance or alternative temporary or emergency service arrangements, to continue its obligations under this contract in the event of a reasonably anticipated, insurable business risk such as business interruption and/or any insurable casualty or loss.
- 7.10.** Conflict of Interest. Pursuant to Public Act 317 and 318 of 1968, as amended (MCL 15.321, et seq.), no contracts shall be entered into between the City, including all agencies and departments thereof, and any City Agent. To avoid any real or perceived conflict of interest, Contractor shall identify any Contractor Employee or relative of Contractor's Employees who are presently employed by the City. Contractor shall give the City notice if there are any City Agents or relatives of City Agents who are presently employed by Contractor.
- 7.11.** Grant Compliance. If any part of this Contract is supported or paid for with any state or federal funds granted to the City, the Contractor shall comply with all applicable grant requirements.
- 7.12.** Contract Administrator. Each Party may designate an employee or agent to act as Contract Administrator. The City's Contract Administrator shall be responsible for such activities as monitoring deliverables and funding, addressing the quality of services provided by the Contractor, reviewing invoices and submitting requests to the City's procurement authority for any contract modification in accordance with terms of this Contract.
- 7.13.** Access and Records. Contractor will maintain accurate books and records in connection with the services provided under this Contract for thirty-six (36) months after end of this Contract, and provide the City with reasonable access to such book and records.
- 7.14.** Audit. Contractor shall allow the City's Finance Director Division, or an independent auditor hired by the City, to perform finance compliance audits with the authority to access all pertinent records and interview any Contractor Employee throughout the term of this Contract, and for a period of three years after final payment.
- Contractor shall explain any audit finding, questionable costs, or other Contract compliance deficiencies to the City within thirty (30) business days of receiving the draft audit report. Contractor's written response shall include all necessary documents and information that refute the draft audit report, and an action plan to resolve the audit findings. A copy of the Contractor's response will be included in the final report. Failure by the Contractor to

respond in writing within thirty (30) business days shall be deemed acceptance of the draft audit report, and will be noted in the final report.

7.15. Delegation /Subcontract/Assignment.

- The Contractor shall not assign, delegate, or subcontract any part of this Contract without the prior written consent of the City.
- The rights and obligations under this Contract shall not be diminished in any manner by assignment, delegation or subcontract.
- Any assignment, delegation, or subcontract by Contractor must include a requirement that the assignee, delegee, or subcontractor will comply with the rights and obligations contained in this Contract.
- The Contractor shall remain primarily liable for all work performed by any subcontractors. The Contractor shall remain liable to the City for any obligations under the Contract not completely performed or incorrectly performed by any Contractor delegee or subcontractor.
- The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors.
- Should a subcontractor fail to provide the work as required by the Contract, the Contractor shall contract with another entity to perform the work in a timely manner. Any additional costs associated with securing a competent subcontractor and performing the required work shall be the sole responsibility of the Contractor.
- If any part of the Contractor's services depends upon the work of any other contractor or subcontractor, the Contractor shall inspect and promptly report to the City any defects in such work that shall render it unsuitable. The failure to inspect and report shall constitute an acceptance of the other contractor's or subcontractor's services.

7.16. This Contract cannot be sold. The City reserves the right to let other contracts in connection with this Work even if of like character to the Work under this Contract. The Contractor shall coordinate his work with theirs.

7.17. Contractor Bankruptcy. In the event that a Petition in Bankruptcy is filed and there is an assignment of this Contract by a Court, the City may declare this Contract null and void.

7.18. Non Exclusive Contract. No provision in this Contract limits, or is intended to limit, in any way the Contractor's right to offer and provide its services to the general public, other business entities, municipalities, or governmental agencies during or after the term of this Contract. Similarly, this Contract is a non-exclusive agreement and the City may freely engage other persons to perform the same work that the Contractor performs. Except as provided in this Contract, this Contract shall not be construed to guarantee the Contractor or any Contractor Employee any number of fixed or certain number or quantity of hours or services to be rendered to the City.

7.19. No Implied Waiver. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any right or remedy under this Contract shall constitute a waiver

of those rights with regard to any existing or subsequent breach of this Contract. No waiver of any term, condition, or provision of this Contract, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Contract. No waiver by either Party shall subsequently affect its right to require strict performance of this Contract.

- 7.20.** Severability. If a court of competent jurisdiction finds a term, condition, or provision of this Contract to be illegal or invalid, then the term, condition, or provision shall be deemed severed from this Contract. All other terms, conditions, and provisions of this Contract shall remain in full force and effect. Notwithstanding the above, if Contractor's promise to indemnify or hold the City harmless is found illegal or invalid, Contractor shall contribute the maximum it is permitted to pay by law toward the payment and satisfaction of any Claims against the City.
- 7.21.** Captions. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Contract are intended for the convenience of the reader and are not intended to have any substantive meaning and shall not be interpreted to limit or modify any substantive provisions of this contract. Any use of the singular or plural number, any reference to the male, female, or neuter genders, and any possessive or nonpossessive use in this contract shall be deemed the appropriate plurality, gender or possession as the context requires.
- 7.22.** Notices. Notices given under this Contract shall be in writing and shall either be personally delivered, sent by express delivery service, certified mail, or first-class U.S. mail postage prepaid, or electronic mail and addressed to the person listed below. Notice will be deemed given when one of the following occur: (1) the date of actual receipt; (2) the next business day when notice is sent express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail, or the date the email is marked as read.

For the Contractor: Susheel Saini, CPA
 Managing Partner
 H S & S, LLC
 20500 Eureka Road, Suite 300
 Taylor, MI 48180
 P: (734) 246-9240
 E: susheel.saini@havencpa.com

For the City: Timothy Sadowski
 Finance Director
 City of Pontiac
 47450 Woodward Ave.
 Pontiac, MI 48342
 P: (248) 758-3118
 E: tsadowski@pontiac.mi.us

- 7.23.** Contract Modifications or Amendments. Any modifications, amendments, waivers, or releases to this Contract must be in writing and agreed to by both Parties. Unless otherwise agreed, the modification, amendment, waiver, or release shall be signed by an expressly authorized Contractor Employee and by the same person who signed the Contract for the City or other City Agent as authorized by the City.
- 7.24.** Precedence of Documents. In the event of a conflict between the terms and conditions in any of the documents comprising this Contract, the conflict shall be resolved as follows:
- The terms and conditions contained in this main Contract document shall prevail and take precedence over any allegedly conflicting provisions in all other Exhibits and documents.
- 7.25.** Governing Laws/Consent to Jurisdiction and Venue. This Contract shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Contract shall be brought in the Sixth Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above. The choice of forum set forth above shall not be deemed to preclude the enforcement of any judgment obtained in such forum or taking action under this Contract to enforce such judgment in any appropriate jurisdiction.
- 7.26.** Contractor Use of Confidential Information. The Contractor and/or Contractor Employees shall not reproduce, provide, disclose, or give access to Confidential Information to any third party, or to any Contractor Employee not having a legitimate need to know any such information and data, and shall not use the Confidential Information for any purpose other than performing its services under this Contract. Notwithstanding the foregoing, Contractor may disclose the Confidential Information if required by law, statute or other legal process; provided that Contractor (i) gives City prompt written notice of an impending disclosure, (ii) provides reasonable assistance to City in opposing or limiting the disclosure, and (iii) makes only such disclosure as is compelled or required.
- This Contract imposes no obligation upon Contractor with respect to any Confidential Information which Contractor can establish by legally sufficient evidence: (i) was in the possession of, or was known by Contractor, prior to its receipt from the City, without an obligation to maintain its confidentiality; or (ii) is obtained by Contractor from a third party having the right to disclose it, without an obligation to keep such information confidential.
 - As used in this Contract, Confidential Information means all information that the City is required or permitted by law to keep confidential.
- 7.27.** Contractor Use of City Licensed Software. Except as otherwise set forth in the Exhibits A and C, in order for the Contractor to perform its services under this Contract, the City may permit Contractor or Contractor Employees to access

certain copyrighted Software licensed to the City. Contractor or Contractor Employees shall not: transfer, remove, use, copy, or otherwise provide or make available any such copyrighted Software or Documentation to any other person or entity, for any purpose, without the prior written consent of the City and/or the licensor. Furthermore, neither the Contractor nor Contractor Employee shall produce a source listing, decompile, disassemble, or otherwise reverse engineer any copyrighted Software. Neither the Contractor nor Contractor Employee shall use any copyrighted software contrary to the provisions of any applicable Software license agreement or state or federal law.

7.28. Entire Contract. This Contract represents the entire Contract and understanding between the Parties. This Contract supersedes all other prior oral or written understandings, communications, agreements or Contracts between the Parties. The language of this Contract shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

The undersigned executes this Contract on behalf of Contractor and the City, and by doing so legally obligates and binds Contractor and the City to the terms and conditions of this Contract.

FOR THE CONTRACTOR:

DocuSigned by:
BY: Susheel Saini DATE: 7/12/2023
37D7FB9E10484E1...
Name Susheel Saini
Title Managing Partner

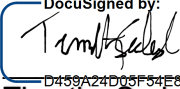
FOR THE CITY OF PONTIAC:

DocuSigned by:
BY: Khalfani Stephens DATE: 7/13/2023
34A8A6F81407411...
Khalfani Stephens
Mayor's Office

DocuSigned by:
BY: Timothy Sadowski DATE: 7/12/2023
B459A24D05F54E8...
Timothy Sadowski, Finance Director

DocuSigned by:
BY: Alicia Martin DATE: 7/12/2023
5AA23BF12F194ED...
Alicia Martin, Purchasing Manager

APPROVED AS TO SCOPE OF CONTRACTOR SERVICES:

BY: 
Timothy Sadowski, Finance Director

DATE: 7/12/2023

[Remainder of document intentionally left blank]

EXHIBIT A



City of Pontiac
Finance Department, Purchasing Division
47450 Woodward Avenue, Pontiac, MI 48342

REQUEST FOR PROPOSALS

FOR

INDEPENDENT AUDIT SERVICES

SOLICITATION No. 23-206-002

DEADLINE FOR QUESTIONS	DEADLINE TO SUBMIT BID
Friday, May 12, 2023 Time: 4 pm EST Via BidNet (BidNet instructions posted with solicitation)	Thursday, May 25, 2023 Time: No later than 2 pm, EST City Hall - City Clerk's Office 1 st Floor 47450 Woodward Avenue Pontiac, MI 48342

1. INTRODUCTION

The City of Pontiac (referred to herein as the "City") is a local municipality and is a 20-square-mile city residing in Oakland County, Michigan. The City operates under a city charter amended and effective May 3, 1982. According to the 2021 Census, the City has a reported population of 60,984. The City is seeking Professional Independent Audit Services.

The City's Governmental Funds includes a General Fund, with nineteen (19) Special Revenue Funds that primarily include Local & Major Roads, Millages, Cable Fund, MIDC, ARPA, Home Buyers Assistance, and Drug Enforcement; (1) Capital Project Fund, (3) Internal Service Funds, and (3) Custodial Funds. The City's general fund includes Law Enforcement, Fire Operations, 50th District Municipal Court. The City's 2022-23 Budget and 2021 Audited Financial Statements may be obtained by clicking on the following hyperlink:

- [https://www.pontiac.mi.us/departments/finance/budget and audit.php](https://www.pontiac.mi.us/departments/finance/budget%20and%20audit.php)

The City is governed by the Mayor, who is assisted by the Deputy Mayor, and a part-time seven-member council that serves by meeting once a week, in the general session, to conduct business. The City Council is responsible for all legislative matters, including the adoption of the annual budget.

The City of Pontiac is issuing this Request for Proposal (RFP) as a result. The firm that is found to be the most responsive and who will be granted the bid award will receive a contract for three (3) years with one (1) option to renew for an additional three years. The City of Pontiac's fiscal year begins on July 1 and ends on June 30. The City uses BS&A for its financial transactions and reporting.

2. FINANCE DEPARTMENT

The Finance Department is under the general direction of the Finance Director. The Finance Director oversees the day-to-day operations of Accounting, Treasury, Income Tax, Purchasing, and Payroll. The Accounting operations includes the maintenance of the general ledger, fixed assets, accounts payables, and budgeting; the Treasury function maintains the City's cash, property tax collections, banking transactions; the Purchasing function maintains the City's procurement transactions, contract documents, and solicitations; the Income Tax function maintains the City's income tax collections; the Human Resources Department processes bi-weekly payroll distribution and completes the calculations for Flexible Spending and Healthcare Savings Plan., and the defined benefit payments to MERS under the direction of Finance.

In collaboration with the Mayor, Deputy Mayor, City Clerk, Department Heads, and Accountants, the Finance Director assembles and prepares the City's audit prep work for the Annual Financial Report and the Annual Budget document.

- The City maintains all its accounting records for the City at City Hall, located at 47450 Woodward Avenue, Pontiac, Michigan 48342.
- The City is aware of and understands the need to assist the Auditor by making every attempt to meet agreed-upon deadlines.
- The Accounting and Treasury staff prepare the audit workpapers and/or Auditor provides work templates with proper instructions as used by Auditor for the completion of the City's Annual Financial Report. The City provides information to the Auditor who prepares the Supplemental Information for the statements, notes, statistical section, and other required supplemental information per the audit schedule by implementing all required Governmental Accounting Standard Board (GASB) statements.
- The City's finance office use or prepare workpapers and Auditor aides/provided templates, with proper work aid instructions as provided by the Auditor for the completion of the City's annual Schedule of Expenditures of Federal Awards (SEFA) when/as applicable in years when the City's expenditures have met/exceeded the fiscal years filing required filing guidelines.
- The City's Auditor will attend a preliminary and post-audit meeting with the City's administrative team.
- The City's Audit will take place on-site as agreed upon by the City and Auditor to occur between the first (1st) week of October and no later than the third (3rd) week in October.
- The City's Auditor will prepare and deliver a bond financial and/or the SEFA reports (MD&A, Financial Statements, Supplemental sections) to the City and City Council by the Council's presentation date.
- The finance staff will make every attempt to perform the necessary accounting procedures and complete agreed upon documents no later than dates set each year on the auditing schedule as provided by the City at the annual pre-audit planning meeting. The meeting date and time will be provided to the firm that receives the bid award. The following schedule is subject to change:

Sample Annual Audit Schedule for FY Ending 2023	
Date	Topic
August – by last week	City provides preliminary Federal Grant Expenditures
August – by last week	Auditor's Annual Engagement Letter
September – by last week	Auditor provides new GASB toolkits/workpapers
September – by last week	Auditor's Audit Prepared by Client Schedule

Sample Annual Audit Schedule for FY Ending 2023 (Continued)	
September – by end of week (week to be determined)	Clear Due To/Due From Balances & Transfer Cash
September – by end of week (week to be determined)	Auditor's New/Updated Internal Control's Questionnaires
September – by end of week (week to be determined)	Last A/P Processing for prior FY Expenditures, except > \$5,000
October – by end of week (week to be determined)	Preliminary Administrative Audit Meeting
October – by end of week (week to be determined)	Last A/P Processing for prior FY Expenditures > \$5,000 Accrued

The City will provide adequate notice prior to any changes in estimated times. The Finance Department will provide the auditor with City records as requested.

3. SOLICITATION PROCESS MILESTONE SCHEDULE

Solicitation Process Milestone Schedule	
Solicitation Posted	Saturday, April 29, 2023
Deadline to Submit Questions	Friday, May 12, 2023 @ 4 pm EST
City's Deadline to Respond to Questions via BidNet	Tuesday, May 16, 2023 @ 4 pm EST
Deadline for Proposal Submission & Public Opening	Thursday, May 25, 2023 @ 2 pm EST (Submission Deadline) City Clerk's Office Public Opening will occur at 2:30 pm EST via City Hall – Shrine Room – 1 st Floor 47450 Woodward Ave. Pontiac, Michigan 48342
Oral Presentations (may not be necessary)	Notices sent to firms the week of May 28, 2023
Scheduled Presentations	The week of June 11, 2023
Notice of Award	The week of June 18, 2023

No proposal submitted may be withdrawn for at least ninety (90) days after the actual opening of the proposal.

Please refer to the website for any addendums that may be issued. Purchasing recommends that respondents who submit proposals before the deadline are advised to continue monitoring the City's Purchasing web page for any addendums and notices that may be issued. Respondents may click on the MITN link on the Purchasing web page to access the City's BidNet web page, where all the City's solicitations and related documents are available.

The City reserves the right to cancel this solicitation, reject any or all proposals, to waive any irregularities, and further reserves the right to accept any proposal or parts of proposals that it deems to best serve the interest of the City.

If you have any questions regarding the solicitation process, please contact the Purchasing Manager (also referred to herein as Purchasing Agent”) by sending an email to Purchasing@pontiac.mi.us. Questions pertaining to the Scope of Service must be submitted electronically using BidNet. Responses to questions submitted will be posted to BidNet as an addendum.

4. SCOPE OF SERVICE & SPECIFICATIONS

State of Michigan statutes and the City require that an independent audit be performed on the City’s financial statements. In addition, the City is required when expenditures exceed the annual maximum amount, to undergo an annual single audit of its federal financial assistance in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office Of Management and Budget’s *Uniform Administrative Requirements. Cost Principles and Audit Requirements for Federal Awards*.

The City is using a Request for Proposals (RFP) for a three (3) year Professional Auditing Services contract with renewal options to extend the contract for up to two (additional, three (3) year contract renewals to engage a Certified Public Accounting firm with audit service responsibilities beginning with the City’s current fiscal year end of June 30, 2023.

The purpose of this RFP is to establish a contractual relationship with an experienced and qualified firm to provide auditing services to the City in the most efficient and cost-effective manner.

The City may elect one or more experienced and qualified entries, if it is in the best interest of the City, to proceed with the negotiation process from those submitting proposals. Firms may be asked to provide oral presentations.

There is no expressed or implied obligation for the City to reimburse the responding firms for any expense incurred in preparing proposals in response to this RFP. As of June 30, 2022, the City of Pontiac uses the following component unit and fund types in its financial reporting:

Fund Type	Individuals Funds
General Fund (101)	1
Special Revenue Funds	19
<ul style="list-style-type: none"> • 202 - Major Streets (Roads) • 203 - Local Streets (Roads) • 208 - Youth Recreation Millage • 209 - Cemetery Fund • 212 - Senior Activities Millage • 226 - Sanitation Fund • 231 - Cable Fund • 232 - VEBA Retiree Healthcare Opt Out • 239/240 - Tax Increment Finance Authority 	

<ul style="list-style-type: none"> • 243 - Brownfield Redevelopment Authority • 249 - Building Inspection Fund • 252 - CDBG FY2012 • 263 - Homer Buyers Assistance • 265 - Drug Enforcement Fund • 276 - District Court • 277 - MIDC Grant Fund • 280 - PA 48 Telecommunications Allocation • 284 - Opioid Settlement Fund • 285 - ARPA 	
Capital Improvement Fund (445)	1
Enterprise Fund <ul style="list-style-type: none"> • 585 - Parking 	1
Proprietary Fund <ul style="list-style-type: none"> • 629 - Employee Sick & Vacation Pay • 659 - Insurance • 677 - Self Insurance Workers Compensation 	3
Fiduciary Fund <ul style="list-style-type: none"> • 702 – Payroll • 703 – Current Tax Collection • 761 – District Court Trust & Agency 	3

4.1 Deliverables/Reports to Be Issued

Following the completion of the audit, the engaged firm shall issue the following reports:

- A. Opinion on the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles.
- B. Presentation of financial statements and other required and supplemental information as required by relevant standards and regulatory requirements.
- C. At the City's request, presentation of the financial statements to meet the requirements of a Comprehensive Annual Financial Report.
- D. Management letter containing recommendations for improvement in processes and procedures, if any.
- E. Independent auditors' report on compliance on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
- F. Independent auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance Single Audit Act.

- G. Schedule of expenditures of federal awards.
- H. Schedule of findings and questioned costs.
- I. Reportable conditions/material weakness letter.
- J. Uniform Guidance Single Audit Act compliance report for federal grants.
- K. The auditor shall reproduce and bind, at its cost, twenty (20) copies each of the basic audit report, the management letter and each document required under the Uniform Guidance Single Audit Act.
- L. The auditor shall also supply the City with unbound copies of all documents and electronic file versions of each document (e.g., PDF or Microsoft Office formats).
- M. The auditor shall submit all required documents to the State of Michigan and other agencies as required prior to all reporting deadlines. The auditor will provide documentation of such submissions to the City.

4.2 Working Paper Retention and Access to Working Papers

- A. All working papers and reports must be retained, at the auditing firm's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The audit firm will be required to make working papers available upon request by the City. Reports, documents and working papers will only be released with specific written permission and direction from the City.
- B. In addition, the firm shall respond to reasonable inquiries of successor firms and allow successor audit firms to review working papers relating to matters of continuing accounting significance.

4.3 Date Preliminary Audit Work May Commence

The City expects to have records ready and personnel available to meet with the firm's personnel for preliminary work as of August 15th, of each year. It is anticipated that the City will have the year-end general ledger closed and be ready for audit activity with reasonably adjusted trial balances by September 15th, of each year. Preliminary fieldwork may be flexibly scheduled on mutual agreement; the major fieldwork will begin October 1st, of each year.

4.4 Audit Schedule

A schedule for the audit must be submitted with the firm's proposal and must contain the following milestones:

- A. Interim work plan;
- B. Detailed audit plan, including total staff hours for field examination;
- C. Field work schedule;
- D. Draft reports availability;
- E. Final report date.

4.5 Report of Audit

The audit prepared for the year ended June 30th, of each year, will be presented to the Mayor and Council no later than December 15th, of each year. Complete and final copies of the pertinent reports shall be delivered to the City no later than December 1st, of each year.

5. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

5.1 Financial Staff and Clerical Assistance

The City's Finance staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of any confirmations will be the responsibility of the City.

5.2 Statements and Schedules to be Prepared by the Staff

The City will prepare statements and schedules for the firm wherever possible and appropriate.

5.3 Work Area, Telephones, Photocopying and FAX Machines

The City will provide the firm with reasonable workspace, desks and chairs. The firm will also be provided with reasonable access to telephone lines, photocopying facilities, and fax machine.

5.4 Report Preparation

Report preparation includes, but is not limited to, preparation and quality review of all financial statements in the report, preparation of all footnotes and preparation of all other required schedules. The City will supply all data necessary for report preparation

and will review the entire report upon completion of a draft that has been through the selected Firm's quality review.

6. INSTRUCTIONS TO FIRMS

6.1 Response Format

Proposals should be organized in the sequence outlined below, in a professional manner that is clear and concise. The proposal should demonstrate the Firm's ability to satisfy the requirements of the RFP.

Firms should include the items below within the proposal and in the following order:

- A. Executive Summary.** The Firm must provide an executive summary condensing and highlighting the contents of the proposal. The executive summary should provide the reader with an overall understanding of the proposal and the Firm's approach and methodology, and should include descriptions of the following:
- a. The Firm's current contractual workload from the perspective of how the Firm's obligation to other clients may impact the performance of the work specified herein.
 - b. The Firm's approach for managing acquisition or allocation of resources, and the ongoing management of those resources, and the management of deliverables during the term of the contract if awarded.
 - c. The administrative approach and project management techniques that the Firm expects to employ during the contract term to ensure the coordination and timeliness of the work, the managerial techniques and tools proposed to control the work, and the methodologies proposed to enhance communications between the Firm and the City.
- B. Independence.** The firm should provide an affirmative statement that it is independent of the City as defined by the U.S. Government Accountability Office's Governmental Auditing Standards.

The audit firm should also provide an affirmative statement that it is independent of all of the contracted service providers of the City as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the City or any of its contracted service providers for the past five (5) years, together with a statement explaining why such relationships do not impair independence.

- C. License to Practice in Michigan.** An affirmative statement should be included indicating the audit firm and all assigned key professional staff are properly licensed to practice in Michigan.
- D. Firm Demographics.** The proposal should state the size of the firm, size of the firm's governmental audit staff, location of the office from which work on this engagement is to be performed, the number and nature of professional staff to be employed in this engagement on a full-time basis, and the number and nature of staff to be employed on a part-time basis. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The audit firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
- E. Partner, Supervisory and Staff Qualifications and Experience.** The audit 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 such person is licensed to practice as a certified public accountant in Michigan. The firm should also provide information on the governmental auditing experience of each person.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the continuing quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements. Other firm personnel may be changed, provided replacements have substantially the same or better qualifications and experience.

A specific and sufficiently detailed description of the firm's process for obtaining and maintaining current expertise in audit standards and requirements applying to local units of government in Michigan should be a particular focus of the proposal.

- F. Engagement Experience.** For the firm's office that will be assigned responsibility for the audit, list at least three engagements performed in the last five years that are similar to the engagement described in this RFP. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Additional references, beyond three, of this type are preferred.
The City is seeking proposals from firms with significant comparable experience. It will be important for the firm to demonstrate successful experience in directly comparable situations, including, but not necessarily limited to, cities with component units, bonded debt, Court Fund and similar sized staff and budgets.
- G. Specific Audit Approach.** The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. The City also wishes the audit plan to include a closer examination of the purchasing accounting practices of the 50th District Court in addition to a standard audit.
- H. Identification of Anticipated Potential Audit Problems.** The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City.
- I. Total All-Inclusive Maximum Cost.** The proposal should contain all pricing information relative to performing the financial statement audit engagement as described in this RFP. Pricing should include an estimate of total staff hours broken down between partner, manager and staff accountants. The total all-inclusive maximum price is to contain all direct and indirect costs including all travel and out-of-pocket expenses.

In addition, the proposal should also contain all pricing information in the event of a Uniform Guidance Single Audit requirement. Also, all pricing information for meeting the requirements of a Comprehensive Annual Financial Report.

The cost should be fully specified for each year of the proposed contract. The cost of the first year of engagement shall be fixed and not adjustable.

As an alternative to stating a fixed cost for the continuing years, escalators (e.g., CPI) may be used, but are not required, for the fourth and following years. Changes to future costs may be considered in response to specific required changes in auditing standards or reporting that directly affect the firm's costs. The City expects to be consulted on any such changes as far in advance as possible.

- J. Conflict of Interest.** The firm must indicate any potential conflict of interest that exists concerning their ability to respond to this RFP. This includes a description of the firm's relationship to the City or any of its employees, officers, agents, or agencies, component units, or oversight unit(s), together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services in the proposal.

Pursuant to the provisions of Public Act 317 of 1968, as amended (MCL 15.321 et seq.), no contracts shall be entered into between the firm and the City including all agencies and departments thereof, and any employee or officer of the City.

- K. Firm's Certification Page and Receipt of Addendums (Attachment A).** Addendums are the City's clarification or modification to the RFP. The vendor must sign the RFP Vendor's Certificate page. The individual signing on behalf of the Firm must be an officer, manager, partner or other person legally authorized to bind the Firm to the proposal.
- L. Contract Terms Acceptance.** The Firm must provide a written statement that the Firm will accept the terms of the City contract included in the proposal. Comments or requests for changes with regard to the contract terms and conditions must be included with the proposal. The willingness or ability of the City to accept or negotiate such suggested changes will be considered on a case-by-case basis. If a proposal contains requests for contract modifications, the decision to reject, accept, or further negotiate requested changes will be at the City's sole discretion. If the firm normally seeks legal review of contract terms, this process should occur **prior** to proposal submission.
- M. W-9.** The Firm must include a completed and signed IRS Form W-9, signed within the last 30 calendar days.
- N. Contact Information.** The Firm must provide a list identifying and providing contact information for the engagement manager, account manager or single point-of-contact for all matters pertaining to the contract resulting from the contract if awarded.
- O. Litigation Disclosure.** The Firm must provide a list identifying any litigation in which the Firm is involved or has been involved in the 18 months before the date of the RFP response submittal.
- P. Suggested Scope and Timeline.** The Firm must provide a suggested Scope of Service with a suggested timeline.
- Q. Price Guarantee.** The Firm must provide a statement that any submitted response and costs will remain valid for 90 days after the proposal due date or until the contract is executed, whoever comes first.
- R. References.** The Firm should provide a list of the last three engagements of equal size and scope regardless of outcome for reference. Unexplained gaps in performance, service or like size project may result in proposals being disqualified. References should include (i) principal contact name, telephone number, and email, (ii) a brief description of work performed for each reference, and (iii) the timeframe for the work performed. The City reserves the right, at its discretion, to contact any organization or individual that may have knowledge of the Firm for the purpose of verifying the information provided

by the Firm. The City will check references only as a method of determining the responsibility of the responsive Firm.

S. Attachments. Firms must sign RFP attachments and include them in their proposal.

6.2 Proposal Submission.

6.2.1 Firms must submit their proposal no later than the date and time identified in the Milestone Schedule located on page 4 of the RFP. Please ensure that the envelope is date and time stamped by the Clerks Office before departure, if submitting bid in person. FedEx and UPS will record a delivery date that firms can identify with their delivery service provider's tracking tool. The public bid opening will occur 30 minutes after the bid submission deadline.

6.2.2 Firms **MUST** submit **(1) original and (2) copies** of the proposal. Additionally, duplicate copies of all descriptive literature and/or samples must be provided as requested. Qualifications must be submitted in a sealed envelope and addressed to the City Clerk of the City of Pontiac. Each sealed envelope containing a response must be plainly marked on the outside as "**INDEPENDENT AUDIT SERVICE**", and the envelope should bear on the outside the name of the respondent, his address, and the name of the project for which the response is submitted. If forwarded by mail, the sealed envelope containing the response must be enclosed in another envelope addressed to the City Clerk, City of Pontiac, 47450 Woodward Avenue Pontiac, MI 48342.

6.2.3 Proposals will be received during regular business hours at the place and up to the time stated in the advertisement. Any extension in time will be by addendum posted to BidNet and the City's Purchasing web page. Responses may be delivered in person or mailed, but their delivery is the respondent's responsibility. Any response received after the stated hour, even through the mail, will be returned unopened to the respondent.

6.3 Examination and Selection of Proposals

Before submitting a qualifications proposal, respondents shall carefully examine the specifications and shall fully inform themselves as to all existing conditions and limitations. Proposals **may** be subjected to a multi-state evaluation and selection process. The City may choose to ask clarification questions in writing and include the additional information gathered in the evaluation process.

1. Proposal Review (Stage One)

The first stage will begin with a review of the response to the RFP. Proposals not meeting mandatory or minimum requirements will not be considered. Incomplete proposals may not be considered. Proposals not deemed within the competitive range will not be

considered. The City may disqualify a Vendor for any reason without explanation. A short list of proposals will move into the next stage of the evaluation.

2. Presentation and Interviews (Stage Two)

Stage two may consist of interviews to clarify proposal content and offerings, discuss potential statements of work, and interviews of proposing Firms for experience and best suited City partner.

3. References (Stage Three)

References will be checked to address issues raised during the demonstrations, interviews, and product testing or to answer detailed questions not yet resolved.

6.4 Administrative Information

- A. Modifications and Clarifications.** In the event that it becomes necessary to revise any part of this RFP, the City will publish an addendum on the BidNet web page for the City of Pontiac. The City's BidNet page is [City of Pontiac - Bid Opportunities and RFPs | BidNet Direct](#). It is the Firm's responsibility to carefully and regularly monitor BidNet for any such postings. The City will NOT send out notifications regarding updates.
- B. Vendor Inquiries.** Unless otherwise noted, Firms must email inquiries concerning this RFP to obtain clarification of requirements. The City will neither accept nor answer inquiries the City receives after the deadline indicated in the Solicitation Process Milestone Schedule. Email all inquiries to Purchasing@pontiac.mi.us. Clearly identify your inquiries. Responses to Vendors' Inquiries will be published as an addendum on BidNet.
- C. RFP Contact.** The City's Representative for this RFP is Alicia Martin, Purchasing Manager. The City's Representative will be the **sole** point of contact for Firms with regard to this RFP. Firms must direct all communications concerning the RFP to the City Representative at the email provided in this Section 1.3. Firms will not contact City personnel in reference to this RFP and may not reply to verbal or written statements by City personnel concerning this RFP, except as otherwise provided in this RFP.
- D. Public Opening.** The Public Opening of Proposals will occur on the date and at the time reflected in the Solicitation Process Milestone Schedule located on page 1 of this solicitation. The Public Opening of Proposals will be held by the City Clerks Office and the Purchasing Manager.
- E. Confidential/Proprietary Information.** The City is a public entity whose records are subject to [Michigan's Freedom of Information Act \(FOIA\), MCL 15.231 et seq.](#). Once the City awards a contract, then all proposals, whether successful or not, will become public

records subject to inspection to public inspection in accordance with FOIA. For this reason, the City requests that Firms DO NOT submit in their proposals information that they consider trade secrets, or otherwise confidential or sensitive commercial, financial, personal or security-related ("Confidential Information") except as absolutely necessary to respond to the RFP. **Firms who decide that they need to submit Confidential Information in order to effectively respond to the RFP will follow this process:**

- a. Package the Confidential Information that is necessary to the RFP response in a file that is separate from the remainder of the RFP response.
- b. Mark the file with "Confidential Information" or similar words.
- c. Review the remainder of the proposal and ensure that it contains no Confidential Information.
- d. Include a statement in the proposal that (1) identifies the separately packed information marked "Confidential Information," and (2) describes the basis on which the Firm wishes to exempt the content of the package from public inspection under FOIA.

Following this process may protect some Confidential Information from public disclosure to the extent allowed by FOIA and other applicable law. The City does not guarantee that following this process will in fact protect Confidential Information from FOIA disclosure.

F. Expense Preparing Proposal. The City will NOT reimburse firms for any expense incurred while preparing proposals in response to this RFP. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the submitted proposal and confirmed in the written contract between the City and the selected firm.

G. City Rights. The City reserves the right to reject any or all proposals and to select and engage that firm deemed to best meet the City's needs, cost and other factors considered. The City reserves the right to waive any irregularity on non-compliance in any proposal, **including proposals submitted after the prescribed deadline.** During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications, or to allow correction of errors or omissions.

- a. The City reserves the right to retain all proposals submitted and to use any ideas in any proposal regardless of whether that firm is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly specifically noted in the proposal submitted and confirmed in the written contract between the City and the selected firm.

6.5 Basis of Award

The City will make awards to the Firm whose acceptable offer will be the most advantageous to the City. An evaluation team, composed of representatives of the City, will evaluate proposals on a variety of quantitative and qualitative criteria. Upon receipt of proposals, the City will review to determine whether the proposal is acceptable or non-acceptable based on quality of information submitted in Section 1.1 of this solicitation and the following:

- a. Responsiveness of submittal to the RFP. The Firm has submitted a proposal that is fully comprehensive, inclusive, and conforms in all respects to the RFP and all of its requirements, including all forms and substance (**weighted value of 15%**).
- b. Experience. Firm's proven proficiency in the successful completion of similar projects (**weighted value of 30%**).
- c. Understanding of Scope of Service and Objectives. Firm's ability to demonstrate a thorough understanding of the City's goals pertaining to this specific solicitation (**weighted value of 20%**).
- d. Approach and Methodology. Contactor has provided a clear interpretation of the City's objectives in regard to the Scope of Service, and a fully comprehensive plan to achieve successful completion (**weighted value of 25%**).
- e. Cost proposal (**weighted value of 10%**). Firms' ability to clearly convey the commission structure and other associated costs.

7 TERMS AND CONDITIONS

7.1 Laws and Municipal Ordinances, Permits

The respondent be fully informed of all laws and municipal ordinances and regulations in any manner affecting those engaged or employed in the work, or equipment and materials used in the work, and all others and any decrees of bodies or tribunals having any jurisdiction or authority over the same. The respondent shall at all items observe and comply with all such existing laws, codes, ordinances, regulations, orders, and decrees. In particular, all work shall be in compliance with the laws of the State of Michigan, City ordinances, as well as all other bodies having jurisdictional authority.

The Firm shall be responsible for obtaining and paying for any and all permits that may be required for this project and shall be responsible for arranging all required inspections if needed.

7.2 Non-Discrimination

The respondent agrees to comply with the Federal Civil Rights Act of 1964 as amended; the

Federal Civil Rights Act of 1991 as amended; the Americans with Disabilities Act of 1990 as amended; the Elliott-Larsen Civil Rights Act, Article 2, Act no. 453, Public Act of 1976 as amended; the Michigan Handicapper's Civil Rights Act, Article 2, Act no. 220, Public Act of 1976, as amended and all other applicable federal, state and local laws and regulations. Specifically, Firms and sub-Firms are required not to discriminate against any employee or applicant for employment with respect to such person's hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of such person's height, weight, race, color, religion, national origin, ancestry, age, marital status, sex or disability, as defined by law. Breach of this covenant may be regarded as a material breach of the contract.

7.3 Indemnification

The Firm shall indemnify, save and hold harmless, protect, and exonerate the City, its commissioners, board members, officers, employees, agents, representatives, and the State of Michigan, to the extent no greater than its relative degree of fault.

7.4 Jurisdictional Authority

This contract shall be governed by and construed according to the laws of the State of Michigan and the successful respondent consents to the jurisdiction and venue of the courts in Oakland County, Michigan and of the United States District Court for the Eastern District, Southern Division.

7.5 Severability

The successful respondent will agree that the Contract is the completed and exclusive statement of the Contract between the parties. A judicial or administrative declaration on the invalidity of any one or more of the provisions of the Contract shall not invalidate the remaining provisions of this agreement.

7.6 Sales Tax

The City, by statute, is exempt from the State Sales and Use Tax, and Federal Excise Tax; therefore, all fees shall not include tax.

7.7 Income Taxes

Firm agrees to contact City of Pontiac Income Tax Division, Audit and Compliance Section, 47450 Woodward, Pontiac, Michigan, 48342, telephone (248) 758-3092, to establish reporting and withholding obligations under the City of Pontiac income tax ordinance. Firm will require the same of all sub-Firms employing labor under this contract. Firm is required to withhold City of Pontiac income tax from wages paid to:

- a. Pontiac resident employees regardless of where they work for the employer; and
- b. Nonresident employees for work performed in the City.

Firm is also required to file Pontiac income tax returns and to report and pay income tax on the net profits earned by the Firm in the City of Pontiac. Firm is not eligible for the award if they have not filed or paid corporate and employee income tax to the City of Pontiac.

Web page URL: http://www.pontiac.mi.us/departments/income_tax/index.php

Tax forms URL: http://www.pontiac.mi.us/departments/income_tax/tax_forms.php

7.8 Compensation and Payment

All invoices submitted against the contract must identify the work performed in detail. Items not properly invoiced will not be paid. It is the vendor's responsibility to ensure delivery of invoice(s) to the City. Invoices must meet the following conditions for payment:

- a. The price on the invoice must correspond to the pricing listed on purchase order and/or contract.
- b. Firms must submit price lists in accordance with proposal requirements.
- c. All invoices will be original.
- d. Invoices will prominently display the requisition or purchase order number, if applicable.
- e. Invoices will be signed by the individual responsible for authorizing contract payments for the City of Pontiac.

The original invoice **must** be emailed to the City of Pontiac, Accounts Payable Division. The division's email is accountspayable@pontiac.mi.us. Payment Terms are Net 30.

7.9 General Conditions

It is the responsibility of the respondent to review General Conditions as specified. All funds must be quoted in US dollars.

7.10 Minor Deviations

Specifications referred to herein are used to indicate desired type, and/or construction, and/or operation or services rendered. Other products and/or services may be offered if deviations from specifications are minor and if all deviations are properly outlined and stated in the proposal document. Failure to outline all deviations may be grounds for rejection of your proposal.

The decision of the City of Pontiac, acting through the Purchasing Agent, shall be final as to what constitutes acceptable deviations from specifications.

7.11 Bonds and Insurance

Receipt of bonds and/or insurance is part of the process of determining which respondent may be recommended for award to the City Administrator. If cause is found to change the recommendation that your company be awarded the contract, or if the City Administrator does not approve the recommendation, the City shall not be liable for any costs incurred by you in the solicitation process, including the cost of acquiring bonds and/or insurance.

The Firm, and any and all of their sub-Firms, shall not commence work under this contract until they have obtained the insurance required under this paragraph. All coverage shall be with insurance companies licensed and who admitted doing business in the State of Michigan. All coverages shall be with insurance carriers acceptable to City of Pontiac. The limits required below do not limit the liability of the Firm. All deductibles and SIRs are the responsibility of the Firm.

Workers' Compensation Insurance: The Firm shall procure and maintain during the life of this contract, Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Commercial General Liability Insurance: The Firm shall procure and maintain said insurance during the life of this contract, for: Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$ 3,000,000 per occurrence and aggregate. Coverage shall include the following extensions:

- a. Contractual Liability;
- b. Products and Completed Operations;
- c. Independent Firms Coverage;
- d. Broad Form General Liability Extensions or equivalent, if not already included.

Motor Vehicle Liability: The Firm shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, with limits of liability not less than \$3,000,000 per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

Additional Insured: Commercial General Liability and Motor Vehicle Liability, as described above, shall include an endorsement stating the following shall be **Additional Insureds:** The City of Pontiac, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed by naming the City of Pontiac as additional insured, coverage afforded is considered to be primary and any other insurance the City of Pontiac may have in effect shall be considered secondary and/or excess.

Cancellation Notice: Workers' Compensation Insurance, Commercial General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall be endorsed to state the following: "It is understood and agreed Thirty (30) days, ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material

Change shall be sent to: Risk Manager, City of Pontiac, 47450 Woodward Avenue, Pontiac, MI 48342.

Proof of Insurance Coverage: The Firm shall provide the City of Pontiac, at the time the contracts are returned by him/her for execution, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

If any of the above coverages expire during the term of this contract, the Firm shall deliver renewal certificates and/or policies to the City of Pontiac at least ten (10) days prior to the expiration date.

7.12 Subcontracting

The City of Pontiac **will not allow subcontracting** for this agreement unless a request to do so is made by the City. All persons working on this project shall be employees of the Firm as defined by law.

8. NON-ASSIGNMENT OR TRANSFER

The service provided by the Firm shall not be sub-contracted, assigned or transferred by the Firm, unless with express written permission by the City of Pontiac Mayor.

9. CITY RULES

Employees of the Firm shall comply with all instructions and regulations issued by representatives of the City of Pontiac.

[Remainder of page intentionally left blank]

Attachment A
Firm's Certification Page and Receipt of Addendums

Attention: City of Pontiac

The individual indicated below shall be the daily single-point-of-contact and the primary point of contact to resolve any issues, clarify cost, clarify schedule, and answer any questions. This individual will be the project lead for the execution of the Scope of Service indicated therein until the Scope of Service is completed.

STATEMENT OF CERTIFICATOINS AND ASSURANCES

The Offeror does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Offeror has thoroughly reviewed this RFP, sample contract, and all pertinent appendices, exhibits, and attachments included as part thereof, and that we fully understand all elements required for the full completion of the project as defined therein.
2. The Offeror further certifies that, if selected as the successful Firm, we will enter into the contract agreement included with this RFP.
3. The prices in Firm's proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purposes of restricting competition as to any matter relating to such prices with any other Firms or with any other competitor.
4. The prices quoted in Firm's proposal have not been and will not be knowingly disclosed directly or indirectly by respondent to any other Firm or competitor prior to the final date and time for submission of such proposal.
5. No attempt has been made or will be made by respondent to induce any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restricting competition.
6. The Response submitted in response to the RFP shall remain valid for at least 60 days after the date of the Response Opening and thereafter in accordance with any contract pursuant to the RFP.
7. Respondent received the following Addendums: _____.

By signature below, the signatory certifies legal authority to bind the responding entity to the provisions of this RFP and any contract awarded pursuant to it. The Owner may, at its sole discretion and at any time, require evidence documenting the signatory's authority to be personally bound or to legally bind the responding entity.

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHOIRZED TO DO SO BY THE ENTITY
RESPONDING TO THIS RFP.**

Signature _____ Date _____

Printed Name _____ EIN _____

Title _____

Name of Firm _____

Attachment B
CITY OF PONTIAC - BID PROPOSAL

I, the undersigned, propose to provide the services proposed in this contract as per specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed.

I attest that the bid includes all information necessary for the City of Pontiac to accept the bid.

Company Name: _____

Address: _____

Representative Signature: _____

Print Name: _____

Title: _____

Office # _____ Cell # _____

Fax # _____

Federal Tax I.D. Number: _____

Date signed _____



SAMPLE
CONTRACT DOCUMENT
FOR

CITY OF PONTIAC
[add general name of contract]

PURCHASING CONTRACT TEMPLATE v2022

CITY OF PONTIAC – DEPARTMENT OF FINANCE

PURCHASING DIVISION

Contract Expiration Date: [add expiration date]

Contract - NOT TO EXCEED AMOUNT [add NTE Amount]

This Contract effective as of _____, 2022 ("Contract"), between the CITY OF PONTIAC, a Municipal corporation, whose address is 47450 Woodward Ave., Pontiac, Michigan ("City"), and [add Name of Contractor], a [add, State of Organization, for example, Michigan corporation, limited liability, limited partnership], whose address is [add Address of Contractor] ("Contractor"). In this Contract, either the City or Contractor may also be referred to individually as a "Party" or jointly as the "Parties".

This Contract is organized and divided into the following "Section" or "Sections" for the convenience of the Parties.

SECTION 1. CONTRACT DOCUMENTS AND DEFINITIONS

SECTION 2. CONTRACT EFFECTIVE DATE AND TERMINATION

SECTION 3. SCOPE OF CONTRACTOR'S SERVICES

SECTION 4. CITY PAYMENT OBLIGATION FOR CONTRACTOR'S SERVICES

SECTION 5. CONTRACTOR ASSURANCES AND WARRANTIES

SECTION 6. CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION

SECTION 7. GENERAL TERMS AND CONDITIONS

In consideration of the mutual promises, obligations, representations, and assurances in this Contract, the Parties agree to the following:

§1. CONTRACT DOCUMENTS AND DEFINITIONS

The following words and expressions when printed with the first letter capitalized as shown herein, whether used in the singular or plural, possessive or non-possessive, and/or either within or without quotation marks, shall be defined and interpreted as follows:

- 1.1. "City" means the City of Pontiac, a Michigan Municipal Corporation, its council, elected officials and officers, departments and "City Agent" as defined below.
- 1.2. "City Agent" means all elected and appointed officials, directors, council members, employees working on behalf of the City, volunteers, representatives, and/or any such persons' successors (whether such person act or acted in their personal representative or official capacities), and/or any persons acting by, through, under, or in concert with any of them. "City agent" shall also include any person who was a "City

PURCHASING CONTRACT TEMPLATE v2022

agent" anytime during the term of this Contract but, for any reason, is no longer employed, appointed, or elected and serving as an Agent.

- 1.3. "Contract Administrator" or "City Representative" means the individual by the City to act as a liaison between the City and the Contractor. Any questions or problems the Contractor may have concerning the work under this Contract should be directed to this individual.
- 1.4. "Contract Documents" means the following documents which are included and fully incorporated into this Contract:
 - 1.4.1 **Exhibit A: Request for Proposal**
 - 1.4.2 **Exhibit B: [if applicable add – specific scope of services]**
 - 1.4.3 **Exhibit C: [If applicable – add any addendums incorporated as part of the RFP Process]**
- 1.5. "Contractor Employee" means without limitation, any employees, officers, directors, members, managers, trustees, volunteers, attorneys, and representatives of Contractor, and also includes any Contractor licensees, concessionaires, contractors, subcontractors, independent contractors, contractor's suppliers, subsidiaries, joint ventures or partners, and/or any such persons, successors or predecessors, employees, (whether such persons act or acted in their personal, representative or official capacities), and/or any and all persons acting by, through, under, or in concert with any of the above. "Contractor Employee" shall also include any person who was a Contractor Employee at anytime during the term of this contract but, for any reason, is no longer employed, appointed, or elected in that capacity.
- 1.6. "Subcontractor" includes only those having a direct contact with the Contractor in the way of labor. One who merely furnishes material to the Contractor is not included in this definition.
- 1.7. "Claims" means any alleged losses, claims, complaints, demands for relief or damages, suits, causes of action, proceedings, judgments, deficiencies, liability, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or asserted against the City, or for which the City may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
- 1.8. "Day" means any calendar day, which shall begin at 12:00:00 a.m. and end at 11:59:59 p.m.
- 1.9. "Working Day" means any calendar day except Saturday, Sunday, and legal holidays as determined by the City.
- 1.10. "Written Notice" shall be considered properly served if delivered in person to the Contractor, or to a member or office of his/her company; also if delivered at, or sent by registered mail to, the last known business address of the Contractor.
- 1.11. "Intellectual Property" means any developments, improvements, designs, innovation, and materials that may be the subject of a trademark/servicemark, copyright or patent, trade secrets or Proprietary Information.

PURCHASING CONTRACT TEMPLATE v2022

- 1.12.** "Proprietary Information" means ideas, concepts, inventions and processes related to the development and operation of computer software and systems such as source code, object code, security procedures and passwords.

§2. CONTRACT EFFECTIVE DATE AND TERMINATION

- 2.1.** The effective date of this Contract shall be as stated on the first page of this Contract, and unless otherwise terminated or canceled as provided below, it shall end at 11:59:59 p.m. on the "Contract Expiration Date" shown on the first page of this Contract, at which time this Contract expires without any further act or notice of either Party being required. The Parties are under no obligation to renew or extend this Contract after Contract Expiration Date. Notwithstanding the above, under no circumstances shall this Contract be effective and binding and no payments to the Contractor shall be due or owing for any Contractor services until and unless:
- 2.1.1.** This Contract is signed by a Contractor Employee, legally authorized to bind the Contractor.
 - 2.1.2.** Any and all Contractor Certificates of Insurance and any other conditions precedent to the Contract have been submitted and accepted by the City.
 - 2.1.3.** This Contract is signed by the City of Pontiac Mayor or his designee, as provided for on the signature page of this Contract, who shall be the final signatory to this Contract.
- 2.2.** The City may terminate and/or cancel this Contract (or any part thereof) at any time during the term, any renewal, or any extension of this Contract, upon Thirty (30) days written notice to the Contractor, for any reason, including convenience without incurring obligation or penalty of any kind. Notwithstanding the above, if the City is being reimbursed for any cost or expenses incurred under this Contract by any third party, including any Federal, State or local governmental agency, and any such third party funding is terminated, the City may terminate, end or cancel this Contract immediately upon written notice to the Contractor. The effective date for termination or cancellation shall be clearly stated in the written notice.
- 2.3.** The City's sole obligation in the event of termination is for payment for actual services rendered by the Contractor before the effective date of termination. Under no circumstances shall the City be liable for any future loss of income, profits, any consequential damages or any loss of business opportunities, revenues, or any other economic benefit Contractor may have realized but for the termination and/or cancellation of this Contract. The City shall not be obligated to pay Contractor any cancellation or termination fee if this Contract is cancelled or terminated as provided herein.
- 2.5.** Under no circumstances shall the City be obligated to pay the contractor for any Services rendered or Goods delivered which have not been invoiced, as required herein, within sixty (60) days of the date such Goods were actually delivered to the City or Services were actually rendered pursuant to this Contract.

3. SCOPE OF CONTRACTOR'S SERVICES

- 3.1** The Contractor shall provide [add brief explanation of services being provided] to the City of Pontiac. The Contractor shall perform all work identified in **Exhibits A** [if applicable other Exhibits].

PURCHASING CONTRACT TEMPLATE v2022

- The Contractor will forward all questions, as they arise, to the City's [City officials names and titles], via email to: [City contact] and, [City contact].

3.2 Quality Control. The Contractor shall institute and maintain throughout the contract period a properly documented quality control program designed to ensure that the services are provided at all times and in all respects in accordance with the contract. The program shall include providing daily supervision and conducting frequent inspections of the Contractor's staff and ensuring that accurate records are maintained describing the disposition of all complaints. The records so created shall be open to inspection by the City.

3.3 City property. The Contractor will be responsible for the proper custody and care of any City-owned property furnished for the Contractor's use in connection with the performance of this contract. The Contractor will reimburse, replace or restore the City for any loss or damage, normal wear and tear excepted.

4. CITY PAYMENT OBLIGATIONS FOR CONTRACTOR'S SERVICES

4.1. Except as otherwise expressly provided for in this Contract, the City's sole financial obligation to the Contractor for any services under this Contract shall be:

4.1.1. In no event, shall the City's amount due and owing the Contractor for any and all services rendered exceed the amount identified as the "NOT TO EXCEED AMOUNT" on the first page of this Contract. In the event the Contractor can reasonably foresee the total billings for its services will exceed this "NOT TO EXCEED AMOUNT", the Contractor shall provide the City with notice of this contingency at least fifteen (15) Days before this event.

4.1.2 The Contractor shall submit an invoice to the City which shall itemize all amounts due and/or owing by the City under this Contract, as the date of the invoice. The City shall have no obligation to make payment until a proper invoice of service is submitted. The City reserves the right to make partial payments on account of the amount due the Contractor as the work progresses.

4.1. Method of Payment. Method of Payment as specified in **Exhibit A**. Contractor shall invoice on a monthly basis, in accordance with section 2.6 of the RFP, for services completed, no later than the 5th of each month, until the Scope of Services are complete. Contractor must email all invoices to accountspayable@pontiac.mi.us for processing. Final payment for the work performed under this Contract shall not be made until all work is satisfactorily performed and final clean-up has been performed. Contractor will be paid 30 days after completion of work as outlined in the Scope of Services after submission of a valid invoice.

4.2. Under no circumstances shall the City be responsible for any cost, fee, fine, penalty, or direct, indirect, special, incidental or consequential damages incurred or suffered by Contractor in connection with or resulting from the Contractor's providing any services under this Contract.

PURCHASING CONTRACT TEMPLATE v2022

- 4.3. The City has the right to offset any amounts due and owing to the Contractor should the City incur any cost associated with this Contract that is the obligations of Contractor under this Contract. This includes withholding payment in the amount of any City provided equipment, or supplies (if applicable) that are not returned by Contractor upon completion of the services provided under this Contract.
- 4.4. This Contract does not authorize any in-kind services by either Party, unless expressly provided herein.
- 4.5. Change Order Process. Changes in the Contract, Contract price or Scope of Work shall only occur in writing via a "Contract Change Order". Contract Change Orders shall be used to reflect additions to, reductions in, or changes to the Scope of Work (Exhibit A).
- 4.6. Ownership of documents and work papers. The City shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project which is the subject of this contract, except for the Contractor's internal administrative and quality assurance files and internal project correspondence. The Contractor shall deliver such documents and work papers to the City upon termination or completion of the contract.

5. CONTRACTOR'S ASSURANCES, WARRANTIES AND DEFAULT

- 5.1. The Contractor certifies that all statements, assurances, records, and materials submitted to City in connection with securing this Contract have been truthful, complete and accurate in all respects. The Contractor agrees and understands that any material false statement, representation or omission made in connection with its seeking or obtaining this Contract may be grounds for canceling or terminating this Contract and/or debaring the Contractor from future City contracts. The City's right to cancel this Contract as provided herein shall be in addition to any other rights the City has to terminate or cancel this Contract.
- 5.2. Service Warranty. Contractor warrants that all services performed hereunder will be performed in a manner that complies with all applicable laws, statutes, regulations, ordinances, and professional standards.
- 5.3. Business and Professional Licenses. The Contractor will obtain and maintain at all times during the term of this Contract all applicable business and professional licenses necessary to provide the contracted services.
- 5.4. Equipment and Supplies. The Contractor is responsible for providing equipment and supplies required to complete the specified services under the Contract unless otherwise expressly set forth in the Contract.
- 5.5. Taxes. The Contractor shall pay, its own local, state and federal taxes, including without limitation, social security taxes, and unemployment compensation taxes. The City shall not be liable to or be required to reimburse the Contractor for any federal, state and local taxes or fees of any kind.

PURCHASING CONTRACT TEMPLATE v2022

- 5.6. Contractor's Incidental Expenses.** Except as otherwise expressly provided in this Contract, the Contractor shall be solely responsible and liable for all costs and expenses incident to the performance of all services for the City including, but not limited to, any professional dues, association fees, license fees, fines, taxes, and penalties.
- 5.7. Taxes.** Contractor agrees to contact the City of Pontiac Income Tax Division, Audit and Compliance Section, 47450 Woodward, Pontiac, Michigan 48342, to establish reporting and withholding obligations under the City of Pontiac Income Tax Ordinance. Contractors will require the same of all subcontractors employed to perform any work in the City of Pontiac.

Web page URL: http://www.pontiac.mi.us/departments/income_tax/index.php

Tax forms URL: http://www.pontiac.mi.us/departments/income_tax/tax_forms.php

- All contributions, taxes or premiums (including interest and penalties thereon) which may be payable under the Unemployment Insurance Law of any State, the Federal Social Security Act, Federal, State, County and/or Municipal Tax Withholding Act, Federal, State, County and/or Municipal Tax Withholding Laws, or any other law, measured upon the payroll of or required to be withheld from employees by whomsoever employed or engaged in the work to be performed and furnished under this contract.

5.8. Contractor Employees.

- 5.9.1** The Contractor shall employ and assign qualified Contractor Employees as necessary and appropriate to provide the services under this Contract. Contractor shall ensure all Contractor Employees have all the necessary knowledge, skill, and qualifications necessary to perform the required services and possess any necessary licenses, permits, certificates, and governmental authorizations as may be required by law.
- 5.9.2** The Contractor shall solely control, direct, and supervise all Contractor Employees with respect to all Contractor obligations under this Contract. The Contractor will be solely responsible for and fully liable for the conduct and supervision of any Contractor Employee.
- 5.9.3** (If Applicable) All Contractor Employees shall wear and display appropriate City provided identification at all times while working on City premises. The Contractor shall return all City provided identification when any of the following situations occur: (1) Upon completion of the last day of work provided under this Contract; (2) when a Contractor Employee has completed the work under this Contract; or (3) when a Contractor Employee no longer works for Contractor.

PURCHASING CONTRACT TEMPLATE v2022

5.9.4 All Contractor Employees assigned to work under this Contract may, at the City's discretion, be subject to a security check and clearance by the City.

5.9. Contractor Employee-Related Expenses. All Contractor Employees shall be employed at the Contractor's sole expense (including employment-related taxes and insurance) and the Contractor warrants that all Contractor Employees shall fully comply with and adheres to all of the terms of this Contract. The Contractor shall be solely and completely liable for any and all applicable Contractor Employee's federal, state, or local payment withholdings or contributions and/or any and all Contractor Employee related pension or welfare benefits plan contribution under federal or state law. The Contractor shall indemnify and hold the City harmless for all Claims against the City by any Contractor Employee, arising out of any contract for hire or employer-employee relationship between the Contractor and any Contractor Employee, including, but not limited to, Worker's Compensation, disability pay or other insurance of any kind.

5.10. Full Knowledge of Service Expectations and Attendant Circumstances. The Contractor warrants that before submitting its bid and entering into this Contract, it had a full opportunity to review the proposed services, examine all measurements, dimensions, and existing conditions of the work area for this Contract and to review all City requirements and expectations under this Contract. The Contractor is responsible for being adequately and properly prepared to execute and perform this Contract. The Contractor has satisfied itself in all material respects that it will be able to perform all obligations under the Contract as specified herein.

5.11. Independent Contractor. The Contractor's Relationship to the City Is that of an Independent Contractor. Nothing in this Contract is intended to establish an employer-employee relationship between the City and either the Contractor or any Contractor Employee. All Contractor Employees assigned to provide services under this Contract by the Contractor shall, in all cases, be deemed employees of the Contractor and not employees, agents or sub-contractors of the City.

5.12. Default. In addition, to a breach of the terms of any condition or warranty set forth in this Contract, the following events shall constitute a default of Contractor:

- Fails to supply complete labor and supervision in sufficient time and quantity to meet the City's progress schedule, as it may be modified.
- Causes stoppage or delay of, or interference with, the project.
- Fails to promptly pay its employees for work on the project.
- Fails to pay worker's compensation or other employee benefits, withholding or any other taxes.
- Fails to comply with the safety provisions of the Contract or with any safety order, regulation or requirement of any governing authority having jurisdiction over this

PURCHASING CONTRACT TEMPLATE v2022

project.

- Makes unauthorized changes in supervisory personnel without Notice to Contract Administrator.
- Fails in performance or observance of any of the provisions of the contract.
- Files a voluntary petition in bankruptcy or is adjudicated insolvent; obtains an order for relief under Section 301 of the Bankruptcy Code; files any petition or fails to contest any petition filed seeking any reorganization or similar relief under any laws relating to bankruptcy, insolvency or other relief of debtors; seeks or consents to or is acquiescent in the appointment of a trustee, receiver or liquidator of any of its assets or property; makes an assignment for the benefit of creditors; or Makes an admission, in writing, of its inability to pay its debts as they became due.

5.13. Then City, after giving Contractor written or oral (subsequently confirmed in writing) Notice of such default and forty-eight (48) hours within which to cure such default, shall have the right to exercise any one or more of the following remedies:

- Require that Contractor utilize, at its own expense, additional labor, overtime labor (including Saturday and Sunday work) and additional shifts as necessary to overcome the consequences of any delay attributable to Contractor's default.
- Remedy the default by whatever means City may deem necessary or appropriate, including, but not limited to, correcting, furnishing, performing or otherwise completing the work, or any part thereof, by itself or through others (utilizing where appropriate any materials and equipment previously purchased for that purpose by Contractor) and deducting the cost thereof from any monies due or to become due to Contractor hereunder;
 - After giving Contractor an additional forty-eight (48) hours written (or oral, subsequently confirmed in writing) notice, terminate this Contract, without thereby waiving or releasing any rights or remedies against Contractor or its sureties, and, by itself or through others, take possession of the work, and all materials, equipment facilities, tools, scaffolds and appliances of Contractor relating to the work, for the purposes of costs and other damages under the contract and for the breach thereof; and
 - Recover all reasonable attorneys' fees suffered or incurred by City by reason of, or as a result of, Contractor's default.

6. CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION

6.1. Indemnification. The Contractor shall indemnify and hold the City harmless from any and all Claims which are incurred by or asserted against the City by any person or entity, alleged to have been caused or found to arise, from the acts, performances,

PURCHASING CONTRACT TEMPLATE v2022

errors, or omissions of the Contractor or Contractor's Employees, including, without limitation, all Claims relating to injury or death of any person or damage to any property.

- 6.1.1 The indemnification rights contained in this Contract are in excess and over and above any valid and collectible insurance rights/policies. During the term of this Contract, if the validity or collectability of the Contractor's insurance is disputed by the insurance company, the Contractor shall indemnify the City for all claims asserted against the City and if the insurance company prevails, the Contractor shall indemnify the City for uncollectible accounts.
- 6.1.2 The Contractor shall have no rights against the City for any indemnification (e.g., contractual, equitable, or by implication), contribution, subrogation, and/or any other right to be reimbursed by the City except as expressly provided herein.
- 6.1.3 The Contractor waives and releases all actions, liabilities, loss and damage including any subrogated rights it may have against the City based upon any Claim brought against the City suffered by a Contractor Employee.

6.1. Contractor Provided Insurance.

- At all times during this Contract, including renewals or extensions, Contractor shall obtain and maintain insurance according to the specifications and requirements set forth in **Exhibit A, Section 2.10** Bonds and Insurance.

7. GENERAL TERMS AND CONDITIONS

- 7.1. Cumulative Remedies. A Party's exercise of any remedy shall not preclude the exercise of any other remedies, all of which shall be cumulative. A Party shall have the right, in its sole discretion, to determine which remedies are to be exercised and in which order.
- 7.2. Survival of Terms and Conditions. The following terms and conditions shall survive and continue in full force beyond the termination and/or cancellation of this Contract (or any part thereof) until the terms and conditions are fully satisfied or expire by their very nature:
 - "CONTRACTOR'S ASSURANCES AND WARRANTIES";
 - "CONTRACTOR PROVIDED INSURANCE AND INDEMNIFICATION";
 - "Audit";
 - "Severability";
 - "Governing Law/Consent To Jurisdiction And Venue"; and
 - "Survival of Terms And Conditions".
- 7.3. City Right to Suspend Services. Upon written notice, the City may suspend performance of this Contract if Contractor has failed to comply with federal, state, or local laws, or any requirements contained in this Contract. The right to suspend

PURCHASING CONTRACT TEMPLATE v2022

services is in addition to the City's right to terminate and/or cancel this Contract. The City shall incur no penalty, expense, or liability to Contractor if the City suspends services under this Section.

- 7.4.** No Third-Party Beneficiaries. Except as provided for the benefit of the Parties or except as specifically set forth in the Contract, this Contract does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to be indemnified, right to be subrogated to the Parties' rights in this Contract, and/or any other right, in favor of any other person or entity.
- 7.5.** Compliance with Laws. Contractor shall comply with all federal, state, and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract, including zoning and building codes and MIOSHA guidelines.
- 7.6.** Permits and Licenses. Contractor shall be responsible for obtaining and maintaining throughout the term of this Contract all licenses, permits, certificates, and governmental authorizations necessary to perform all of its obligations under this Contract and to conduct business under this Contract. Upon request by the City, Contractor shall furnish copies of any permit, license, certificate or governmental authorizations necessary to provide services under this Contract. The Contractor shall deliver all certificates of inspection to the City, if applicable.
- The Contract Administrator or designee shall act as inspector for this project.
 - The inspector shall have access to the Work under this Contract.
- 7.7.** Discrimination. Contractor shall not discriminate against any employee or applicant for employment because of sex, race, religion, color, national origin, or handicap in violation of State and Federal law.
- Contractor shall promptly notify the City of any complaint or charge filed and/or determination by any Court or administrative agency of illegal discrimination by Contractor.
 - The City, in its discretion, may consider any illegal discrimination described above as a breach of this Contract and may terminate or cancel this Contract immediately with notice.
- 7.8.** Reservation of Rights. This Contract does not, and is not intended to impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the City.
- 7.9.** Force Majeure. Notwithstanding any other term or provision of this Contract, neither Party shall be liable to the other for any failure of performance hereunder if such failure is due to any cause beyond the reasonable control of that Party and that Party cannot reasonably accommodate or mitigate the effects of any such cause. Such cause shall include, without limitation, acts of God, fire, explosion, vandalism, any law, order, regulation, direction, action, or request of the United

PURCHASING CONTRACT TEMPLATE v2022

States government or of any other government, national emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor difficulties. Reasonable notice shall be given to the affected Party of any such event. The Contractor is expected, through insurance or alternative temporary or emergency service arrangements, to continue its obligations under this contract in the event of a reasonably anticipated, insurable business risk such as business interruption and/or any insurable casualty or loss.

- 7.10.** Conflict of Interest. Pursuant to Public Act 317 and 318 of 1968, as amended (MCL 15.321, et seq.), no contracts shall be entered into between the City, including all agencies and departments thereof, and any City Agent. To avoid any real or perceived conflict of interest, Contractor shall identify any Contractor Employee or relative of Contractor's Employees who are presently employed by the City. Contractor shall give the City notice if there are any City Agents or relatives of City Agents who are presently employed by Contractor.
- 7.11.** Grant Compliance. If any part of this Contract is supported or paid for with any state or federal funds granted to the City, the Contractor shall comply with all applicable grant requirements.
- 7.12.** Contract Administrator. Each Party may designate an employee or agent to act as Contract Administrator. The City's Contract Administrator shall be responsible for such activities as monitoring deliverables and funding, addressing the quality of services provided by the Contractor, reviewing invoices and submitting requests to the City's procurement authority for any contract modification in accordance with terms of this Contract.
- 7.13.** Access and Records. Contractor will maintain accurate books and records in connection with the services provided under this Contract for thirty-six (36) months after end of this Contract, and provide the City with reasonable access to such book and records.
- 7.14.** Audit. Contractor shall allow the City's Finance Director Division, or an independent auditor hired by the City, to perform finance compliance audits with the authority to access all pertinent records and interview any Contractor Employee throughout the term of this Contract, and for a period of three years after final payment.
- Contractor shall explain any audit finding, questionable costs, or other Contract compliance deficiencies to the City within thirty (30) business days of receiving the draft audit report. Contractor's written response shall include all necessary documents and information that refute the draft audit report, and an action plan to resolve the audit findings. A copy of the Contractor's response will be included in the final report. Failure by the Contractor to respond in writing within thirty (30) business days shall be deemed acceptance of the draft audit report, and will be noted in the final report.
- 7.15.** Delegation /Subcontract/Assignment.

PURCHASING CONTRACT TEMPLATE v2022

- The Contractor shall not assign, delegate, or subcontract any part of this Contract without the prior written consent of the City.
 - The rights and obligations under this Contract shall not be diminished in any manner by assignment, delegation or subcontract.
 - Any assignment, delegation, or subcontract by Contractor must include a requirement that the assignee, delegee, or subcontractor will comply with the rights and obligations contained in this Contract.
 - The Contractor shall remain primarily liable for all work performed by any subcontractors. The Contractor shall remain liable to the City for any obligations under the Contract not completely performed or incorrectly performed by any Contractor delegee or subcontractor.
 - The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors.
 - Should a subcontractor fail to provide the work as required by the Contract, the Contractor shall contract with another entity to perform the work in a timely manner. Any additional costs associated with securing a competent subcontractor and performing the required work shall be the sole responsibility of the Contractor.
 - If any part of the Contractor's services depends upon the work of any other contractor or subcontractor, the Contractor shall inspect and promptly report to the City any defects in such work that shall render it unsuitable. The failure to inspect and report shall constitute an acceptance of the other contractor's or subcontractor's services.
- 7.16.** This Contract cannot be sold. The City reserves the right to let other contracts in connection with this Work even if of like character to the Work under this Contract. The Contractor shall coordinate his work with theirs.
- 7.17.** Contractor Bankruptcy. In the event that a Petition in Bankruptcy is filed and there is an assignment of this Contract by a Court, the City may declare this Contract null and void.
- 7.18.** Non Exclusive Contract. No provision in this Contract limits, or is intended to limit, in any way the Contractor's right to offer and provide its services to the general public, other business entities, municipalities, or governmental agencies during or after the term of this Contract. Similarly, this Contract is a non-exclusive agreement and the City may freely engage other persons to perform the same work that the Contractor performs. Except as provided in this Contract, this Contract shall not be construed to guarantee the Contractor or any Contractor Employee any number of fixed or certain number or quantity of hours or services to be rendered to the City.
- 7.19.** No Implied Waiver. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any right or remedy under this Contract shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Contract. No waiver of any term, condition, or provision of this Contract, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Contract. No waiver

PURCHASING CONTRACT TEMPLATE v2022

by either Party shall subsequently affect its right to require strict performance of this Contract.

7.20. Severability. If a court of competent jurisdiction finds a term, condition, or provision of this Contract to be illegal or invalid, then the term, condition, or provision shall be deemed severed from this Contract. All other terms, conditions, and provisions of this Contract shall remain in full force and effect. Notwithstanding the above, if Contractor's promise to indemnify or hold the City harmless is found illegal or invalid, Contractor shall contribute the maximum it is permitted to pay by law toward the payment and satisfaction of any Claims against the City.

7.21. Captions. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Contract are intended for the convenience of the reader and are not intended to have any substantive meaning and shall not be interpreted to limit or modify any substantive provisions of this contract. Any use of the singular or plural number, any reference to the male, female, or neuter genders, and any possessive or nonpossessive use in this contract shall be deemed the appropriate plurality, gender or possession as the context requires.

7.22. Notices. Notices given under this Contract shall be in writing and shall either be personally delivered, sent by express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given when one of the following occur: (1) the date of actual receipt; (2) the next business day when notice is sent express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail

For the Contractor: [Contractor's contact information]

For the City: [Contractor's contact information]

7.23. Contract Modifications or Amendments. Any modifications, amendments, waivers, or releases to this Contract must be in writing and agreed to by both Parties. Unless otherwise agreed, the modification, amendment, waiver, or release shall be signed by an expressly authorized Contractor Employee and by

PURCHASING CONTRACT TEMPLATE v2022

the same person who signed the Contract for the City or other City Agent as authorized by the City.

- 7.24.** Precedence of Documents. In the event of a conflict between the terms and conditions in any of the documents comprising this Contract, the conflict shall be resolved as follows:
- The terms and conditions contained in this main Contract document shall prevail and take precedence over any allegedly conflicting provisions in all other Exhibits and documents.
- 7.25.** Governing Laws/Consent to Jurisdiction and Venue. This Contract shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Contract shall be brought in the Sixth Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above. The choice of forum set forth above shall not be deemed to preclude the enforcement of any judgment obtained in such forum or taking action under this Contract to enforce such judgment in any appropriate jurisdiction.
- 7.26.** Contractor Use of Confidential Information. The Contractor and/or Contractor Employees shall not reproduce, provide, disclose, or give access to Confidential Information to any third party, or to any Contractor Employee not having a legitimate need to know any such information and data, and shall not use the Confidential Information for any purpose other than performing its services under this Contract. Notwithstanding the foregoing, Contractor may disclose the Confidential Information if required by law, statute or other legal process; provided that Contractor (i) gives City prompt written notice of an impending disclosure, (ii) provides reasonable assistance to City in opposing or limiting the disclosure, and (iii) makes only such disclosure as is compelled or required.
- This Contract imposes no obligation upon Contractor with respect to any Confidential Information which Contractor can establish by legally sufficient evidence: (i) was in the possession of, or was known by Contractor, prior to its receipt from the City, without an obligation to maintain its confidentiality; or (ii) is obtained by Contractor from a third party having the right to disclose it, without an obligation to keep such information confidential.
 - As used in this Contract, Confidential Information means all information that the City is required or permitted by law to keep confidential.
- 7.27.** Contractor Use of City Licensed Software. Except as otherwise set forth in the Exhibits A and C. i order for the Contractor to perform its services under this Contract, the City may permit Contractor or Contractor Employees to access certain copyrighted Software licensed to the City. Contractor or Contractor Employees shall not: transfer, remove, use, copy, or otherwise provide or make available any such copyrighted Software or Documentation to any other person or entity, for any purpose, without the prior written consent of the City and/or the licensor. Furthermore, neither the Contractor nor Contractor Employee shall

PURCHASING CONTRACT TEMPLATE v2022

produce a source listing, decompile, disassemble, or otherwise reverse engineer any copyrighted Software. Neither the Contractor nor Contractor Employee shall use any copyrighted software contrary to the provisions of any applicable Software license agreement or state or federal law.

- 7.28.** Entire Contract. This Contract represents the entire Contract and understanding between the Parties. This Contract supersedes all other prior oral or written understandings, communications, agreements or Contracts between the Parties. The language of this Contract shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

The undersigned executes this Contract on behalf of Contractor and the City, and by doing so legally obligates and binds Contractor and the City to the terms and conditions of this Contract.

FOR THE CONTRACTOR:

BY: _____ DATE: _____
Name _____
Title _____

FOR THE CITY OF PONTIAC:

BY: _____ DATE: _____
Tim Greimel, Mayor.

APPROVED AS TO SCOPE OF CONTRACTOR SERVICES:

BY: _____ DATE: _____

PURCHASING CONTRACT TEMPLATE v2022

Exhibit A

Request for Proposal

PURCHASING CONTRACT TEMPLATE v2022

Exhibit B

PURCHASING CONTRACT TEMPLATE v2022

Exhibit C

EXHIBIT B

City of Pontiac ***Proposal for Annual Audit Services*** ***May 3, 2023***



20500 Eureka Road

Suite 300

Taylor, MI 48180

734.246.9240 ♦ www.havencpa.com



May 3, 2023

Alicia Martin
City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

Dear Ms. Alicia Martin

Thank you for allowing us to submit our proposal to provide professional services to the City of Pontiac. Your City will truly be an important addition to the Haven Group CPAs & Advisors family, and we would be honored to contribute to its bright future.

We provide auditing and related advisory services to various large Michigan based cities and governmental entities. Our clients are long term clients, and they continue to remain our client because we are an accounting firm that:

Has earned their trust.

Delivers value for our fees.

Exceeds their client service expectations.

Provides technical accuracy.

Has the experience, capabilities, and capacity to assist with implementing new standards.

Our approach to exceptional client service is what distinguishes Haven Group CPAs & Advisors from other firms. We will meet with you before service begins to understand your specific needs and develop a customized execution schedule including all the deliverables. Expect your Haven Group CPAs & Advisors team to take an active role in helping you achieve your goals.

We are excited for the opportunity to work with you and your colleagues and would be pleased to discuss any aspect of our proposal. Should you have any questions or if we can provide additional information, please feel free to contact us.

We look forward to exceeding your expectations on this important engagement and developing a long-lasting, mutually beneficial relationship with you and your organization.

Sincerely,

Susheel Saini, CPA
Managing Partner
Haven Group CPAs & Advisors

Table of Contents

About Haven Group CPAs & Advisors.....	2
Executive Summary.....	3-4
Independence.....	5
License to Practice in Michigan.....	5
Firm Demographics.....	6
Partner, Supervisory and Staff Qualifications.....	7
Professional Resumes.....	8-11
Engagement Experience.....	12
Specific Audit Approach.....	13
Anticipated Potential Audit Problems.....	13
Proposed Fees.....	14
Conflict of Interest.....	15
Attachment A - Firm's Certification and Receipt of Addendums.....	16
Contract Terms Acceptance.....	17
W-9.....	18
Contact Information.....	19
Litigation Disclosure.....	20
Suggested Scope	21
Timeline and Price Guarantee.....	22
References.....	23
Attachment B – Bid Proposal.....	24
Attachment C – External Quality Control Review.....	25-26

About Haven Group CPAs & Advisors

Haven Group CPAs & Advisors is a **full-service international accounting and advisory firm**. We are experienced in serving clients of all sizes from individual persons to large **multinational** companies, non-profit and government entities.

We have offices in the following locations:

- **Taylor, Michigan**
- **Bad Axe, Michigan**
- **Fenton, Michigan**
- **Bangalore, India**

Our comprehensive services are tailored to your needs, providing you with the value of high-level expertise combined with exceptional, cost-effective service. We use a multidisciplinary approach, integrating our breadth of industry knowledge and depth of experience. You receive adherence to the industry standard as well as a fully tailored experience and outstanding service model.

Our firm provides outstanding service to our clients because of our dedication to our underlying principles of integrity, expertise, and quality

Our primary goal as a trusted advisor is to be available and to provide insightful advice to enable our clients to make informed financial decisions. We do not accept anything less from ourselves and this is what we deliver to you.

Our Principles

Our firm provides outstanding service to our clients because of our dedication to the three underlying principles of integrity, expertise, and quality.

Integrity

Our professionalism has built our reputation as one of the leading firms in the area. Our integrity in the precision of our work and that of our specialized staff spell the difference between our performance and that of other firms. By combining our expertise, experience and the energy of our staff, each client receives close personal and professional attention. We make sure that every client is served by the expertise of our whole firm.

Expertise

Organizations that choose our firm rely on competent advice and fast, accurate experts. We are a full-service CPA firm that provides services to individuals, large and small businesses, and other agencies, and each client is treated with the utmost priority and care. Through hard work, we have earned the respect of the business, public sector, and financial communities, illustrating our diverse talents and dedication.

Quality

Our firm's reputation reflects the high standards we demand of ourselves. Our primary goal as a trusted advisor is to be available and to provide insightful advice to enable our clients to make informed financial decisions. We do not accept anything less from ourselves and this is what we deliver to you. We continually educate ourselves to improve our technical expertise and knowledge, to better serve our clients.

Executive Summary

Our firm has been built to provide complete professional services to organizations seeking top-rate customer service

The background, diversity, and experience of the professionals of Haven Group CPAs & Advisors provide our organization with the resources needed to offer our clients the highest quality service. Here are some of the factors that make us a great partner for our clients:

A Hand-Picked Team

Our firm has been built to provide complete professional services to organizations seeking top-rate customer service from qualified accounting professionals who understand their businesses. ***The Haven Group CPAs & Advisors' team that will service your organization has extensive industry specific experience and can assist the City of Pontiac with all their reporting and compliance needs.***

We have handpicked team members to serve you based on their prior experience and because their expertise provides the best fit for your organization. ***See Professional Resumes of key members. The engagement will be managed out of our Taylor office and staffed with experts from across our entire firm.***

The Right Fit

Haven Group CPAs & Advisors is committed to identify and meet your needs. We provide highly experienced professionals combined with cost-effective service. We are flexible in meeting your needs and providing exceptional client service.

At Haven Group CPAs & Advisors we can provide the expertise needed for non-profit entities to successfully meet their unique regulatory and compliance issues. From basic bookkeeping functions up to and including certified financial audits and tax returns, our expert staff of professionals are available to assist you.

We have developed our expertise through extensive professional training combined with many years of experience working with numerous non-profit entities, including public schools, charter schools, and municipalities.

We have several large governmental entities as clients. Below are some of our larger governmental audit clients:

- ***City of Ecorse***
- ***Clinton Community Schools***
- ***Sand Creek Community Schools***
- ***Hudson Area Schools***
- ***Madison School District***

Depth of Service

We will assign staff to your organization whose contractual workload will not impact the performance and timeline of deliverables for the audit. We not only have the ability and resources to handle your organization's current auditing needs efficiently and effectively, but we can provide other value-added services as needed.

Executive Summary

We have developed our expertise through extensive professional training combined with many years of experience

Providing Value

We strive to provide value for our fees. We will achieve this by providing value-added advice and guidance throughout the engagement. We have a long history of commitment to our clients and endeavor to ensure your complete satisfaction. We go beyond the services of a traditional CPA firm to find innovative solutions and offer useful suggestions to strengthen your organization.

Managed Approach

To ensure the coordination and timeliness of work, a managing partner will be assigned to the organization. The managing partner will be available 24/7 for any questions the organization will have. Additionally, they will be present for all meetings with the organization. The managing partner will also allocate staff to the engagement and ensure the smoothness of the entire audit process.

Convenient Communication

We will plan to use SharePoint to enhance communication between our Firm and the City. We will provide a SharePoint link that the City can upload all supporting documents to. The SharePoint will be organized with folders that are organized the same way as the client assistance list, which will be provided by the last week of September and uploaded to the SharePoint. Our intention is to use the City's preliminary Trial Balance and our knowledge of governmental entities to establish a comprehensive list of documentation that will be needed for the audit. Our goal is for there to be no surprises during the audit.

The client assistance list will be an Excel file that allows the client to indicate when files are uploaded, as well as communicate questions regarding requested documentation. The client assistance list, as well as emails, will be checked frequently during the audit to ensure everyone at our Firm and the City are constantly aware of the progress of the audit.

Additionally, we will use CaseWare to enhance the audit process. Our approach for the audit will be to ensure all balance sheet items have documented support before finalizing the audit. We will review all adjusting entries and findings, if any, with the City prior to completion of the audit. Our approach is to clearly communicate with our clients so that there are not any last minute surprises.

Expect More

The City of Pontiac will be an important addition to the Haven Group CPAs & Advisors' family. Our goal is to build a long-term, mutually beneficial relationship with you, to provide value added services and to contribute to your future success.

We make sure that every client is served by the expertise of our entire firm. We will answer all of your questions as they impact situations. We welcome you to contact us anytime.

Independence

Every engagement will be completed in accordance with the highest standards of diligence and care

Professionalism in the accounting industry means independence, integrity, and objectivity. This is accomplished through the adherence of professional standards and the associated laws and regulations. This includes withstanding all pressures, competitive and other, to compromise our principles, standards and quality.

We have developed our own policies and procedures to provide reasonable assurance that every audit, review, tax, compilation, and accounting engagement will be completed in accordance with the highest standards of diligence and care the public and our clients expect us to meet. We have numerous stages of review before a finished product is issued. Our clients can rely on our work, and our reputation stands behind that.

Haven Group CPAs & Advisors meets the independence and continuing professional education requirements of the Government Auditing Standards – Standards for Audit of Governmental Organizations, Programs, Activities and Functions, 1994 revision published by the U.S. General Accounting Office.

License to Practice in Michigan:

Haven Group CPAs & Advisors is a licensed CPA firm by the State of Michigan. We are members of the American Institute of Certified Public Accountants (AICPA) and the Michigan Association of CPAs (MICPA). As members of these organizations, we have agreed to subject our auditing policies and procedures and firmwide quality control standards to an independent outside review, which is required every three years.

All assigned key professional staff are properly licensed to practice in Michigan. See Professional Resumes of key members.

In addition to the external peer review, we perform annual internal office inspections. This ensures that we are maintaining our service quality at the highest possible standards.

Haven Group CPAs & Advisors' procedures and work papers are in full compliance with the applicable federal and state guidelines. We are pleased to report that we have never had a finding of substandard work or any other disciplinary action against us by State Boards, the AICPA or any other agency.

Firm Demographics

Haven Group CPAs & Advisors is a **full-service international accounting and advisory firm**. We are experienced in serving clients of all sizes from individual persons to large **multinational** companies, non-profit and government entities.

We have offices in the following locations:

- **Taylor, Michigan**
- **Bad Axe, Michigan**
- **Fenton, Michigan**
- **Bangalore, India**

Our firm consists of 50+ accounting professionals. We have handpicked team members to serve you based on their prior experience and because their expertise provides the best fit for your organization. The audit team for this engagement will consist of approximately 5 accounting professionals that will be assigned full-time to the engagement. Additional staff may be assigned part-time to the engagement, as needed. ***See Professional Resumes of key members. The engagement will be managed out of our Taylor office and staffed with experts from across our entire firm.***

An external quality control review was completed in 2022, of which several governmental entities were selected for review. ***See Attachment C for a copy of the most recent external quality control review.***

We have no disciplinary action taken or pending against our firm during the past three (3) years with state regulatory bodies or professional organizations.

Partner, Supervisory and Staff Qualifications

A Hand-Picked Team

Our firm has been built to provide complete professional services to organizations seeking top-rate customer service from qualified accounting professionals who understand their businesses. *The Haven Group CPAs & Advisors' team that will service your organization has extensive industry specific experience and can assist the City of Pontiac with all their reporting and compliance needs.*

We have handpicked team members to serve you based on their prior experience and because their expertise provides the best fit for your organization. *See Professional Resumes of key members. The engagement will be managed out of our Taylor office and staffed with experts from across our entire firm.*

Meet Our Key Staff:

Managing Partner: Susheel Saini

Susheel is the firm managing partner and is based out of our Taylor office. Susheel has over 20 years of experience serving clients in governmental, non-profit, and for-profit organizations.

Advisory Partner: Randall Darnell

Randy is based out of our Taylor office and has over 40 years of experience in governmental audits and will be assisting the audit team as our technical resource.

Concurring Partner: Lance Siemen

Lance is the regional managing partner and is responsible for our Bad Axe and Fenton office. Lance has over 20 years of experience and on this engagement will serve as the independent concurring partner on the engagement by reviewing all the work and providing independent approval of the audit.

Manager: Tillie Peruski

Tillie is a manager at the Fenton office. Tillie will serve as a manager on the audit that will assist in managing and staffing the audit to ensure the workload is properly allocated amongst our staff.

See Professional Resumes of key members. The engagement will be managed out of our Taylor office and staffed with experts from across our entire firm.

Additional Senior and Associate level staff will be assigned to the audit by the Managing Partner and Manager. The staff assigned will be based in both the Taylor and Fenton offices.

Professional Resumes

SUSHEEL R. SAINI, CPA MANAGING PARTNER



Susheel R. Saini, CPA
Managing Partner

734.246.9240
Susheel.saini@havencpa.com

Susheel Saini, Managing Partner, is an experienced executive with proven record of establishing cross-functional partnerships to deliver stellar results. Agile, strategic leader with extensive experience leading complex domestic and international projects/organizations in operations, P&L management, market positioning, and acquisitions across multiple industries. Broad understanding of risks: Strategic, Financial, Operational, and Compliance. Prior to joining Haven Group CPAs and Advisors, Susheel was an audit director at a large national firm and has over 20 years of experience serving clients in the governmental, non-profit and for-profit organizations.

INTERNATIONAL SERVICES EXPERIENCE

- Lead auditor on a \$500 million U.S. subsidiary of a multibillion-dollar German parent organization listed on the Frankfurt exchange. Issued reporting package for parent organization under IFRS standards.
- Led multiple due diligence audits of companies based in China (Shanghai and Changzhou) for our U.S. based client seeking merger and acquisition support.
- Coordinated U.S. GAAP audits through an international network for companies located in Mexico, China, India, UK, Germany, France and Israel.
- Provides value-added recommendations related to finance and accounting operations.
- Identifies expense and working capital reduction opportunities.
- Assists clients with the implementation of technical accounting standards under U.S. GAAP.
- Performs agreed upon procedure engagements and other consulting projects.
- Assists clients with post-acquisition purchase accounting.
- Develops operational efficiency and cost-saving recommendations.

GENERAL AUDIT EXPERIENCE

- Plans, coordinates, and manages numerous audit engagements.
- Provides auditing and tax planning services for clients.
- Evaluates client's internal control structure and develops programs to strengthen internal controls.
- Assists clients in the selection, implementation, and training of accounting software.
- Assists in strategic planning and facility rationalization activities.

INDUSTRY INVOLVEMENT

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- Michigan Bankers Association

EDUCATION

University of Michigan - Dearborn
Bachelor of Business Administration in Accounting, with honors

Professional Resumes

RANDALL H. DARNELL, CPA, CFP
PARTNER



Randall H. Darnell, CPA
Partner

(734) 246-9240
Randy.darnell@havencpa.com

Randy is the technical partner for all non-profit and school district engagements and specializes in government auditing and consulting.

PROFESSIONAL PROFILE

- Appointed judge by Governor Blanchard at the Michigan State Tax Tribunal for the State of Michigan.
- Lead auditor and subject matter expert for multiple non-profit and governmental audits including:
 - School Districts
 - Municipalities
 - Housing and Urban Development
 - District Courts
 - Churches and Charities

GENERAL AUDIT EXPERIENCE

- Plans, coordinates and manages numerous audit engagements.
- Provides auditing and advisory services for clients in the non-profit sector.
- Evaluates client internal control structure and develops programs to strengthen internal controls.

INDUSTRY INVOLVEMENT

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- State of Michigan Dept. of Ed. Audit Manual Committee
- State of Michigan Dept. of Ed. Pupil Audit Committee

EDUCATION

Wayne State University
Master of Business Administration

Davenport University
Bachelor of Business Administration in Accounting

PROFESSIONAL CERTIFICATIONS

Certified Public Account (CPA)
Certified Financial Planner (CFP)

Professional Resumes

LANCE SIEMEN, CPA, CFE, CFF, CAMS REGIONAL MANAGING PARTNER



Lance Siemen, CPA, CFE, CFF, CAMS
Regional Managing Partner

(810) 629-9305
Lance.siemens@havencpa.com

Lance is an equity partner and the Regional Manager Partner of Haven Group CPAs & Advisors. Lance has extensive experience in compliance and audit across industries and often serves as a key relationship manager to our clients.

PROFESSIONAL PROFILE

- Expert in orchestration of audits and fraud investigations.
- Ability to take business needs and translate them into initiatives that promote positive change.
- Ability to analyze financial information to identify discrepancies and inconsistencies in filings and company budgets.
- Strategic thinker effective in achieving corporate goals within diverse operational levels.
- Successful background in the research, analysis, identification and resolution of issues.
- Talented in the design, implementation and enforcement of policies, controls and corrective actions.

GENERAL AUDIT EXPERIENCE

- Plans, coordinates and manages audit engagements across various industries (Governmental, Manufacturing, Financial Services, etc.).
- Key relationship partner to clients for attestation (audits, reviews and compilations) engagements.
- Oversees entire audit engagement to ensure quality and responsiveness clients receive.

INDUSTRY INVOLVEMENT

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- Fraud Task Force Member for Michigan Association of Certified Public Accountants

EDUCATION

College of Financial Planning
Master's Degree in Financial Analysis

Eastern Michigan University
Bachelor of Business Administration in Accounting
Bachelor of Arts in Japanese Language and International Trade

PROFESSIONAL CERTIFICATIONS

Certified Public Account (CPA)
Certified Fraud Examiner (CFE)
Certified in Financial Forensics (CFF)
Certified Anti-Money Laundering Specialist (CAMS)

Engagement Experience

Similar Engagements:

City of Ecorse:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, Enterprise Fund, and Brownfield Redevelopment Authority Fund Component Unit. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 300

Name of Principal Contact: Timothy Sadowski

Contact Phone Number: 313-920-0026

Clinton Community Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Carol Wahl

Contact Phone Number: 517-456-2061

Sand Creek Community Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Sharon Smith

Contact Phone Number: 517-436-3108

Hudson Area Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Jackie Bowen

Contact Phone Number: 517-448-8912

Madison School District:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Jen Valdez

Contact Phone Number: 517-263-0741

Specific Audit Approach

Work Plan

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

For the Single Audit, if required, we will conduct our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance).

Audit Procedures—Internal Control, 50th District Court Purchasing Accounting Practices

We will obtain an understanding of the 50th District Court and its environment, including the purchasing and cash disbursement internal controls relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls will be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit and evaluation of the internal controls of the 50th District Court, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Anticipated Potential Audit Problems

Our firm does not anticipate any audit problems.

Proposed Fees

Haven Group CPAs & Advisors' fees are established at a level that enables us to attract and retain top-quality personnel and arm them with state-of-the-art training, tools, and technology.

Our proposed fees for the 2022-2023 fiscal year end financial statement audit is \$80,000. Fees for any single audit requirements are \$7,500 per major program. \$87,500 will be the all-inclusive maximum price of the audit.

Our proposed fees for the 2023-2024 fiscal year end financial statement audit is \$80,000. Fees for any single audit requirements are \$7,500 per major program. \$87,500 will be the all-inclusive maximum price of the audit.

Our proposed fees for the 2024-2025 fiscal year end financial statement audit is \$85,000. Fees for any single audit requirements are \$8,000 per major program. \$93,000 will be the all-inclusive maximum price of the audit.

Our proposed fees for the 2024-2025 fiscal year end financial statement audit is \$85,000. Fees for any single audit requirements are \$8,000 per major program. \$93,000 will be the all-inclusive maximum price of the audit.

Changes to future costs may occur in response to required changes in auditing standards and will be communicated with you.

Expected Hours Breakdown each year:

- Partner Level: 75 hours
- Manager Level: 150 hours
- Staff (associate and senior associates): 300 hours

All-Inclusive Cost

All direct and indirect costs, including all travel and out-of-pocket costs, are included in the all-inclusive maximum price of the audit.

Work Beyond Scope of this Proposal

Interpretation of complex or unique accounting issues or audit scope changes during the engagement are not included in the above fees. In the event any such changes arise; we will work with you to determine the level of assistance required and arrange an appropriate fee for our services at that time. Haven Group CPAs & Advisors will always communicate with you if a service is outside the scope of our bid and request your approval before beginning any additional work.

Conflict of Interest

Haven Group CPAs & Advisors is the auditor of the City of Ecorse. However, the Finance Director at the City of Pontiac, Timothy Sadowski, currently also serves as the Finance Director at the City of Ecorse. Our relationship with Mr. Sadowski is a professional relationship only and thus we believe this existing relationship does not constitute a conflict of interest relative to performing the services in the proposal.

Other than the above disclosure, there is no other potential conflict of interest. If any additional potential conflict of interest is discovered during the audit, it will be immediately communicated with the City of Pontiac.

In accordance with the provisions of Public Act 317 of 1968, as amended (MCL 15.321 et seq.), no contracts shall be entered into between the firm and the City including all agencies and departments thereof, and any employee or officer of the City.

Attachment A
Firm's Certification Page and Receipt of Addendums

Attention: City of Pontiac

The individual indicated below shall be the daily single-point-of-contact and the primary point of contact to resolve any issues, clarify cost, clarify schedule, and answer any questions. This individual will be the project lead for the execution of the Scope of Service indicated therein until the Scope of Service is completed.

STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Offeror does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Offeror has thoroughly reviewed this RFP, sample contract, and all pertinent appendices, exhibits, and attachments included as part thereof, and that we fully understand all elements required for the full completion of the project as defined therein.
2. The Offeror further certifies that, if selected as the successful Firm, we will enter into the contract agreement included with this RFP.
3. The prices in Firm's proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purposes of restricting competition as to any matter relating to such prices with any other Firms or with any other competitor.
4. The prices quoted in Firm's proposal have not been and will not be knowingly disclosed directly or indirectly by respondent to any other Firm or competitor prior to the final date and time for submission of such proposal.
5. No attempt has been made or will be made by respondent to induce any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restricting competition.
6. The Response submitted in response to the RFP shall remain valid for at least 60 days after the date of the Response Opening and thereafter in accordance with any contract pursuant to the RFP.
7. Respondent received the following Addendums: _____.

By signature below, the signatory certifies legal authority to bind the responding entity to the provisions of this RFP and any contract awarded pursuant to it. The Owner may, at its sole discretion and at any time, require evidence documenting the signatory's authority to be personally bound or to legally bind the responding entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO DO SO BY THE ENTITY RESPONDING TO THIS RFP.

Signature Susheel Saini Date 5/23/2023
 Printed Name Susheel Saini EIN 84-2619808
 Title Managing Partner
 Name of Firm HSES LLC DBA Haven Group CPAs and Advisors.

Contract Terms Acceptance

Haven Group CPAs & Advisors accepts the terms of the City contract included in the proposal.

Form W-9
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. H S & S, LLC	
2 Business name/disregarded entity name, if different from above DBA - Haven Group CPAs & Advisors	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> <input type="checkbox"/> Individual/sole proprietor or single-member LLC </div> <div> <input type="checkbox"/> C Corporation </div> <div> <input type="checkbox"/> S Corporation </div> <div> <input type="checkbox"/> Partnership </div> <div> <input type="checkbox"/> Trust/estate </div> </div> <div style="margin-top: 5px;"> <input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► C <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> </div> <div style="margin-top: 5px;"> <input type="checkbox"/> Other (see instructions) ► </div>	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions. 20500 Eureka Road, Suite 300	Requester's name and address (optional)
6 City, state, and ZIP code Taylor, Michigan 48180	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

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

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
8	4		2	6	1	9	8	0	8

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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

Sign Here	Signature of U.S. person ► <i>Sushel Saini</i>	Date ► <i>10/17/2022</i>
------------------	------------------------------------------------	--------------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Contact Information

Key Staff Contacts:

Susheel Saini, Managing Partner:

Email: Susheel.Saini@havencpa.com
Office Phone Number: 734-562-4458
Cell Phone Number: 734-718-9876

Randy Darnell, Supervising Partner:

Email: Randy.Darnell@havencpa.com
Office Phone Number: 734-246-9240
Cell Phone Number: 734-771-7897

Tillie Peruski, Manager:

Email: Tillie.Peruski@havencpa.com
Office Phone Number: 989-856-4500

For all matters pertaining to the contract resulting from the contract if awarded, please contact Susheel Saini.

Litigation Disclosure

We have not been involved in any litigation in the 18 months prior to the date of the RFP response submittal.

Suggested Scope

Scope

We will audit the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Pontiac, Michigan as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Pontiac, Michigan's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Pontiac, Michigan's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- GASB Required Supplementary Pension
- GASB Required Supplementary OPEB

We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Schedule of Expenditures of Federal Awards
- Nonmajor Governmental Fund Combining Balance Sheet
- Nonmajor Governmental Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- Individual Fund Statements

Timeline and Price Guarantee

Timeline

An Audit Engagement Letter will be sent out once we are selected as the auditor.

We will request a preliminary Trial Balance once engaged as the auditor for the City. Within a week of receipt of preliminary Trial Balance, we will provide a detailed client assistance list.

Schedule audit planning meetings with those charged with governance.

Fieldwork will be largely virtual. However, some testing will need to be done in person and we intend to spend at least 3 days on site during the course of fieldwork. More days may be necessary as determined by the Managing Partner.

All fieldwork is expected to be completed by the first week of November and draft financial statements will be issued shortly thereafter for City Finance Director's review and comments. Final financial statements will be issued by the last week of November.

We will present the results of our audit at the December City Council meeting. Meeting date to be determined by the City.

Price Guarantee

The Costs submitted in this response are guaranteed valid for 90 days after the proposal due date or until the contract is executed, whichever comes first.

References

City of Ecorse:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, Enterprise Fund, and Brownfield Redevelopment Authority Fund Component Unit. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Timeframe of Audit: October - December

Name of Principal Contact: Timothy Sadowski

Contact Email Address: finance@ecorsemi.gov

Contact Phone Number: 313-920-0026

Clinton Community Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Timeframe of Audit: July - September

Name of Principal Contact: Carol Wahl

Contact Email Address: carol.wahl@clinton.k12.mi.us

Contact Phone Number: 517-456-2061

Sand Creek Community Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Timeframe of Audit: July - September

Name of Principal Contact: Sharon Smith

Contact Email Address: sharon.smith@sc-aggies.us

Contact Phone Number: 517-436-3108

Hudson Area Schools:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Jackie Bowen

Contact Phone Number: 517-448-8912

Madison School District:

Scope of Work: Audit consisting of General Fund, Special Revenue Funds, and Fiduciary Funds. Single Audit.

Fiscal Year End Date of Last Completed Engagement: 6/30/22

Engagement Partners: Susheel Saini, Randall Darnell

Total Hours on Engagement: 200

Name of Principal Contact: Jen Valdez

Contact Phone Number: 517-263-0741

Attachment B
CITY OF PONTIAC - BID PROPOSAL

I, the undersigned, propose to provide the services proposed in this contract as per specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed.

I attest that the bid includes all information necessary for the City of Pontiac to accept the bid.

Company Name: HSES LLC - DBA - Haven Group CPAs & Advisors

Address: 20500 Eureka Rd. Suite 300
Taylor, MI 48180

Representative Signature: Susheel Saini

Print Name: Susheel Saini

Title: Managing Partner

Office # 734-246-9240 Cell # 734-718-9876

Fax # 734-246-8635

Federal Tax I.D. Number: 84-2619808

Date signed 5/23/2023



Report on the Firm's System of Quality Control

July 30, 2022

To the Partners of H S & S LLC dba Hodges Accounting & Advisory Services and the Peer Review Committee of the Michigan Association of Certified Public Accountants.

We have reviewed the system of quality control for the accounting and auditing practice of H S & S LLC dba Hodges Accounting & Advisory Services (the firm) in effect for the year ended November 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of H S & S LLC dba Hodges Accounting & Advisory Services in effect for the year ended November 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. H S & S LLC dba Hodges Accounting & Advisory Services has received a peer review rating of pass.

Jason F. Clausen, P.C.



AICPA Peer Review Program
Administered in Michigan by the
Michigan Association of CPAs

September 30, 2022

Susheel Saini
H S & S LLC dba Hodges Accounting & Advisory Services
20500 Eureka RD , Suite 300
Taylor, MI 48180-6395

Dear Susheel Saini:

It is my pleasure to notify you that on September 27, 2022, the Michigan Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is May 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

MICPA Peer Review Committee

MICPA Peer Review Committee
MICPA Peer Review Committee
micpa@micpa.org
(248)267-3700

cc: Jason Clausen

Firm Number: 900255351165

Review Number: 590396

Thank you

We look forward to partnering with you

