

AGREEMENT #18141
AGREEMENT FOR PROFESSIONAL SERVICES
For LAKE COUNTY

This AGREEMENT is entered into by and between Lake County ("County") and Bronner Group("Consultant"), 120 North LaSalle Street, Suite 1300, Chicago, IL 60602.

RECITALS

WHEREAS, Lake County is seeking a Consultant to provide services for Assessment Services for Lake County Purchasing Card Program as noted in the Consultant's proposal dated August 9, 2018 ("Services"); and

WHEREAS, Consultant has the professional expertise and credentials to provide these Services and has agreed to assume responsibility for this Agreement.

NOW, THEREFORE, Lake County and Consultant agree as follows:

SECTION 1. AGREEMENT DOCUMENTS

The Agreement Documents that constitute the entire Agreement between Lake County and Consultant are in order of precedence:

- A. This Agreement and all exhibits thereto; and,
- B. Consultant's proposal and all exhibits thereto, including statement of work, dated August 9, 2018 (Exhibit A)

SECTION 2. SCOPE OF WORK

Consultant will perform an assessment of Lake County's current P-Card policies, procedures, internal controls, and usage practices for all P-Card holders. This review will include specific policies and practices for elected officials and Lake County Board Members. A sample of P-Card transactions will be selected for testing as a means to better understand the current P-Card process flow and controls system. In parallel, BRONNER will perform benchmarking research and analysis of other county and local governments, as well as industry standards, to identify best practices for policies, procedures, and internal controls for P-Cards. BRONNER will develop a final report and presentation that includes a current state assessment of Lake County's P-Card internal controls framework as well as specific recommendations to improve policies, procedures, and internal controls.

Phases to be completed are:

- Current State Assessment
- Benchmarking Research and Analysis
- Transaction Review
- Report Development

SECTION 3. DURATION

This Agreement shall be effective as of the date Lake County gives Consultant notice to proceed, and unless terminated pursuant to Section 15 shall be effective until the date the work is complete. The work is complete upon a determination of completion by Lake County. A determination of completion shall not constitute a waiver of any rights or claims which Lake County may have or thereafter acquire with respect to any provision of this Agreement.

At the end of the Agreement term Lake County reserves the right to extend the Agreement for an additional period up to sixty (60) days.

SECTION 4. AGREEMENT PRICE

The County will pay Consultant a not to exceed fee of \$47,405 for deliverables identified in Section 2 of Consultant's proposal dated August 9, 2018 and will bill the County not more than once per month based upon the actual expense reimbursement.

SECTION 5. INVOICES & PAYMENT

- A. A purchase order will be issued for the work and Consultant shall submit invoice(s) detailing the products and services provided and identify the purchase order number on all invoices.
- B. Consultant shall maintain records showing actual time devoted and cost incurred. Consultant shall permit a representative from Lake County to inspect and audit all data and records of Consultant for work and/or services provided under this Agreement. Consultant shall make these records available at reasonable times during the Agreement period and for one year after the termination of this Agreement.
- C. All payments shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505/1 et seq.).

SECTION 6. CHANGE ORDERS

In the event changes to the Scope of the project and/or additional work become necessary or desirable to the parties, the parties shall follow the procedures set forth in this Section. A Change shall be effective only when documented by a written, dated agreement executed by both parties which expressly references this Agreement (a "Change Order"). The Change Order shall set forth in detail: (i) the Change requested, (ii) the reason for the proposed Change; (iii) the cost of the Change; and (iv) the impact of the Change on time for completion of the project.

In the event either party desires a Change, the Project Manager for such party shall submit to the other party's Project Manager a proposed Change Order. If the receiving party does not accept the Change Order in writing within ten (10) days, the receiving party shall be deemed to have rejected the Change Order. If the parties cannot reach agreement on a proposed Change, Contractor shall nevertheless continue to render performance under this Agreement in accordance with its (unchanged) terms and conditions.

Changes that involve or increase in the amounts payable by the County may require execution by the County Purchasing Agent. Some increases may also require approval by the County Board. In those cases where the County Purchasing Agent's signature is required, or County Board approval is needed, the Change Order shall not be deemed rejected by County after ten (10) days provided the Project Manager has indicated in writing within the ten (10) day period of his intent to present the Change Order for appropriate signature or approval.

SECTION 7. INDEMNIFICATION

Consultant agrees to indemnify, save harmless, and defend Lake County, its agents, servants, and employees, and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses, and expenses, including court costs and attorney's fees, for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of or in connection with the work covered by this Agreement caused directly by the negligence or willful or wanton conduct of Consultant. The foregoing

indemnity shall apply except if such injury, death, or damage is caused directly by the gross negligence or willful or wanton conduct of Lake County, its agents, servants, or employees or any other person indemnified hereunder.

SECTION 8. INSURANCE

The Consultant must obtain, for the Contract term and any extension of it, insurance issued by a company or companies qualified to do business in the State of Illinois with an A.M. Best Rating of at least A-and provide the County with a Certificate of Insurance 15 days before the start of the project, and thereafter annually for contracts/ projects that will last more than one year. Insurance in the following types and amounts is necessary and/or where applicable:

Commercial General Liability Insurance

In a broad form on an occurrence basis shall be maintained, to include, but not be limited to, coverage for property damage, bodily injury (including death), personal injury and advertising injury in the following coverage forms where exposure exists:

- Premises and Operations
- Independent Contractors
- Products/Completed Operations
- Liability assumed under an Insured Contract/ Contractual Liability
- Personal Injury and Advertising Injury

With limits of liability not less than:

\$ 1,000,000 Each Occurrence

\$ 1,000,000 Products-Completed Operations

\$ 1,000,000 Personal and Advertising injury limit

\$ 2,000,000 General aggregate; the CGL policy shall be endorsed to provide that the General Aggregate limit applies separately to each of the contractor's projects away from premises owned or rented to contractor.

Automobile Liability Insurance (if applicable)

Automobile liability insurance shall be maintained to respond to claims for damages because of bodily injury, death of a person, or property damage arising out of ownership, maintenance, or use of a motor vehicle. This policy shall be written to cover any auto whether owned, leased, hired, or borrowed.

The Contractor's auto liability insurance, as required above, shall be written with limits of insurance not less than the following:

\$ 1,000,000 Combined single Limit (Each Accident)

Excess/ Umbrella Liability (if applicable)

The Contractor's Excess/ Umbrella liability insurance shall be written with the umbrella follow form and outline the underlying coverage, limits of insurance will be based on size of project:

\$ 2,000,000 per occurrence limit (*minimum, and may be higher depending on the project*)

Workers Compensation (Coverage A) and Employers Liability (Coverage B)

Workers Compensation Insurance covering all liability of the Contractor arising under the Worker's Compensation Act and Worker's Occupational Disease Act at limits in accordance with the laws of the State of Illinois. Employers' Liability Insurance shall be maintained to respond to claims for damages because of

bodily injury, occupational sickness, or disease or death of the Contractor's employees, with limits listed below:

Employers Liability

- a) Each Accident \$1,000,000
- b) Disease-Policy Limit \$1,000,000
- c) Disease-Each Employee \$1,000,000

Such Insurance shall contain a waiver of subrogation in favor of Lake County.

Professional Liability – Errors and Omissions (if applicable)

The Engineers/Architects/Consultants for the plans of the project shall be written with limits of insurance not less than the following:

\$ 1,000,000 per claim per policy year

Coverage shall be provided for up to three (3) years after project completion. Policy is to be on a primary basis if other professional liability is carried.

Professional Liability – Cyber Liability (if applicable)

Cyber Liability Insurance for property damage to electronic information and/or data; first and third party risks associated with e-business, internet, etc., with limits of insurance not less than the following:

\$ 1,000,000 per occurrence limit

Technology Errors and Omissions (if applicable)

The Contractor's Software Developer and/or IT Consultant for the plans, including developing and implementing technology for Lake County, or of the project, shall be written with limits of insurance not less than the following:

\$ 1,000,000 per occurrence limit

Liability Insurance Conditions

Contractor agrees that with respect to the above required insurance:

- a) The CGL policy shall be endorsed for the general aggregate to apply on a "per Project" basis;
- b) The Contractor's insurance shall be primary & non-contributory over Lake County's insurance in the event of a claim.
- c) Contractor agrees that with respect to the above required insurance, Lake County shall be named as additional insured, including its agents, officers, and employees and volunteers and be provided with thirty (30) days' notice, in writing by endorsement, of cancellation or material change. A blanket additional insured ISO endorsement is preferred for Contractors who have multiple projects with the County.
- d) Lake County shall be provided with Certificates of Insurance and the appropriate corresponding ISO form endorsements evidencing the above required insurance, prior to commencement of this Contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least thirty (30) days prior to the expiration of cancellation of any such policies. No manuscript endorsements will be accepted. Any hard copies of said Notices and Certificates of Insurance and Endorsements shall be provided to:

**Lake County
Purchasing Division
18 N. County 9th Floor**

Waukegan, Illinois 60085
Attn: RuthAnne Hall, Lake County Purchasing Agent

- e) **Electronic copies of Notices, Certificates of Insurance and Endorsements can be emailed to Purchasing@lakecountyil.gov in place of hard copies.**

Failure to Comply: In the event the Contractor fails to obtain or maintain any insurance coverage required under this agreement, Lake County may purchase such insurance coverage and charge the expense to the Contractor.

SECTION 9. INDEPENDENT CONTRACTOR

Consultant is defined and identified as an independent contractor, not an employee or agent of Lake County and the County has no right to control or direct Consultant's manner, detail, or means by which Consultant accomplishes tasks under this Agreement.

SECTION 10. DISPUTE RESOLUTION

All issues, claims, or disputes arising out of this Agreement shall be resolved in accordance with the Appeals and Remedies Provisions in Article 9 of the Lake County Purchasing Ordinance.

SECTION 11. NO IMPLIED WAIVERS

The failure of either party at any time to require performance by the other party of any provision of this Agreement shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself.

SECTION 12. SEVERABILITY

If any part of this Agreement shall be held to be invalid for any reason, the remainder of this Agreement shall be valid to the fullest extent permitted by law.

SECTION 13. JURISDICTION, VENUE, CHOICE OF LAW AND PROFESSIONAL STANDARDS

This Agreement shall be governed by and construed according to the laws of the State of Illinois. Jurisdiction and venue shall be exclusively found in the 19th Judicial Circuit Court, State of Illinois.

SECTION 14. NOTICES AND COMMUNICATIONS

All notices and communications which may be given by Lake County to Consultant relative to this Agreement shall be addressed to the Consultant at the address shown herein below:

Gila Bronner, CPA
President and CEO
Bronner Group
120 North LaSalle Street, Suite 1300
Chicago, IL 60602

Copies of any notices and communications which propose to alter, amend, terminate, interpret, or otherwise change this Agreement shall be provided to: Lake County Purchasing Division, 18 North County Street, Waukegan, Illinois 60085-4350; Attention: Purchasing Agent.

SECTION 15. ASSIGNMENT, ALTERATIONS AND MODIFICATIONS

Except as otherwise provided herein, this Agreement shall not be assigned, delegated, altered, or modified without the express written consent of both parties. This Agreement supersedes any and all other agreements, oral or written, between the parties hereto with respect to the subject matter hereof.

To the extent Lake County agrees to an assignment, delegation, or subcontract by Consultant, Consultant shall remain liable to Lake County with respect to each and every item, condition and other provision hereof to the same extent that Consultant would have been obligated if it had done the work itself and no assignment, delegation, or subcontract had been made.

SECTION 16. TERMINATION

Lake County reserves the right to terminate this Agreement, or any part of this Agreement, with or without cause, upon thirty (30) days written notice. In case of such termination, Consultant shall be entitled to receive payment from Lake County for work completed to date in accordance with the terms and conditions of this Agreement.

In the event that this Agreement is terminated due to Consultant's default, Lake County shall be entitled to purchase substitute items and/or services elsewhere and charge Consultant with any or all losses incurred, including attorney's fees and expenses.

SECTION 17. CONFIDENTIALITY

Both parties acknowledge that Consultant's documents and dealings related to this Agreement are subject to the Illinois Open Meetings Act (5 ILCS 120/1 et seq.) and the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.).

SECTION 18. WORK PRODUCT

All work product prepared by Consultant pursuant to this Agreement, including, but not limited to, policies, reports, analysis, plans, designs, calculations, work drawings, studies, photographs, models, and recommendations shall be the property of Lake County. Consultant shall deliver the work product to Lake County upon completion of Consultant's work, or termination of the Agreement, whichever comes first. Consultant may retain copies of such work product for its records; however, Consultant may not use, print, share, disseminate, or publish any work product related to this Agreement without the consent of Lake County.

SECTION 19. NEWS RELEASES


Consultant may not issue any news releases regarding this Agreement without prior approval from Lake County.

IN WITNESS HEREOF, the undersigned have caused this Agreement to be executed in their respective names on the dates hereinafter enumerated.

Lake County:


County Administrator
Lake County

Bronner Group


Gila Bronner, CPA
President and CEO

Date 8-10-18

Date 8-10-18

Exhibit A



August 9, 2018

Mr. Barry Burton
County Administrator
Lake County
18 N. County St.
Waukegan, IL 60085

VIA EMAIL: PSutton@lakecountyil.gov
PFetherston@lakecountyil.gov

Re: Proposal to Provide Assessment Services for Lake County's Purchasing Card Program

Dear Mr. Burton:

On behalf of Bronner Group, LLC (BRONNER), I am pleased to submit this proposal to provide Lake County with assessment services for the Lake County Purchasing Card (P-Card) program. BRONNER is confident in its ability to provide develop and execute an assessment of the P-Card program for Lake County, based on BRONNER's:

- Over 30 years of experience planning and conducting assessments for the public sector, including purchasing card audits and assessments for Metra, Georgia Department of Human Services, Waukesha County, and the San Antonio Housing Authority.
- Demonstrated expertise working with Lake County and the Lake County Department of Finance and Administrative Services.

This proposal provides a high-level overview of BRONNER's approach and identifies a preliminary budget and timeframe for the delivery of these services.

Background

The Lake County Board recently raised questions to the Lake County Administrator's Office (CAO) and the Lake County Department of Finance and Administrative Services (FAS) regarding the County's existing P-Card policies, procedures, and internal controls. The County Board has requested a presentation on September 26, 2018 to receive answers to the open questions from the CAO, FAS, and an independent assessment firm. On August 8, 2018, Lake County CAO and FAS officials contacted BRONNER to discuss performing an assessment of the Lake County P-Card program. This proposal has been prepared in response to that discussion.

BRONNER has been working with the Lake County CAO and FAS Department since February 2018 on an organizational and operational assessment of the FAS Department. That project has provided BRONNER with a familiarity of Lake County's financial processes and stakeholders.

Proposed Scope and Objective

BRONNER will perform an assessment of Lake County's current P-Card policies, procedures, internal controls, and usage practices for all P-Card holders. This review will include specific policies and practices for elected officials and Lake County Board Members. A sample of P-Card transactions will be selected for testing as a means to better understand the current P-Card process flow and controls system. In parallel, BRONNER will perform benchmarking research and analysis of other county and local governments, as well as industry standards, to identify best practices for policies, procedures, and internal controls for P-Cards. BRONNER will develop a final report and presentation that includes a current state assessment of Lake County's P-Card internal controls framework as well as specific recommendations to improve policies, procedures, and internal controls.

Approach

Upon engagement, BRONNER will facilitate a project kick-off meeting with the Lake County project manager to confirm the scope, objectives, and schedule of the project as well as submit a request for background documentation.

Following these necessary project initiation steps, the BRONNER team will approach this engagement using the following four phases of work aligned with the project objective:

1. **Current State Assessment:** Perform review of existing P-Card policies, procedures, and internal controls
 - a. Obtain and review background documents and information, including purchasing ordinances, policies, procedures, list of current P-Card holders, P-Card transaction data, existing P-Card reports, etc.
 - b. Conduct interviews with representatives from the Lake County CAO and FAS Department as well as other relevant personnel.
 - c. Identify existing processes, risks, and controls (e.g. approvals, checks and balances)
2. **Benchmarking Research and Analysis:** Conduct benchmarking research and best practice analysis
 - a. Conduct peer agency of other local governments and counties to identify policies and procedures.
 - b. Perform review of industry standards and best practices (e.g. Government Accountability Office, Institute of Internal Auditors, International City/County Management Association, Government Finance Officers Association, National Institute of Government Procurement).

3. Transaction Review: Test sample P-Card transactions

- a. Select sample of P-Card transactions and obtain supporting documentation for these transactions (e.g. receipts, usage reports, request for purchase). Sample transactions will be selected from Lake County elected officials as well as Lake County employees.
- b. Evaluate and review the population of sample transactions from both elected officials and employees for compliance with established policies and procedures.
- c. Research and evaluate non-compliant transactions.

4. Report Development: Develop final assessment report and recommendations

- a. Identify gaps and develop recommendations based on work performed in Phases 1 – 3.
- b. Prepare a report for Lake County that summarizes the results of Phases 1 – 3 and provides recommendations to improve Lake County's P-Card internal control framework.
- c. Present findings and recommendations to the Lake County Board on September 26, 2018.

KEY PERSONNEL AND STAFF

BRONNER recognizes that successful accomplishment of this engagement for Lake County requires a project team with direct, relevant experience across governmental accounting, auditing, and internal controls. BRONNER has assembled such a team. BRONNER professionals are regarded as providing innovative, value-added consultative and assurance services, while identifying potential risks and providing realistic solutions. BRONNER's well-rounded team will provide Lake County with the required skills for successful and timely completion of the tasks assigned.

Ms. Gila Bronner, CPA will serve as Engagement Director. Ms. Bronner is an expert on auditor independence and related accountability and internal control issues and is a nationally recognized authority on government compliance and oversight. She has written and lectured extensively on the subjects of auditor independence, government efficiency and reform, grants management, and government accountability. Over her 30-plus year career, Ms. Bronner has been an active national leader in the public accounting profession. She was a member of the Board of Directors of the American Institute of CPAs (AICPA) where she served as a key liaison to federal government oversight bodies and as a member of the Executive Committee of AICPA's Political Leadership Cabinet.

Mr. Scott Bailey, CPA, CISA will serve as a Subject Matter Expert for this important engagement. Mr. Bailey brings to this forensic review over 30 years of professional experience in the governmental accounting and auditing arena. He has served in senior management roles at the Illinois Office of the Auditor General and led internal audit teams and departments for major government entities. Such work included the conduct of numerous forensic audits, reviews, and investigations as well as testifying in court in connection with such work. Mr. Bailey is recognized nationally for his internal audit expertise. He chairs BRONNER's Center for Financial Management and Accountability and is both a CPA and a Certified Information Systems Auditor (CISA).

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Mr. Ed Verzo, CPA will serve as a Senior Analyst for this engagement. Mr. Verzo has extensive professional experience in the performance of agreed-upon procedures, financial and single audits, compliance, and operational audits, revenue analysis and cash flow projection, streamlining business practices, implementing improved internal controls, and developing strong public financial oversight mechanisms. Mr. Verzo has more than twenty-five years of management accounting as well as internal and external audit experience.

Mr. Daniel Hughes will serve as Project Manager. Mr. Hughes has overseen internal controls assessments at a number of clients including the City of Bloomington and the Housing Authority of the City of El Paso. Mr. Hughes has also served as Project Manager for BRONNER's recent organizational and operational assessment of the Lake County FAS Department.

Project Timing and Fees

BRONNER estimates this project will require approximately 268 hours to complete over a 4-6 week period. The completion of the final project deliverables will allow for presentation to the Lake County Board on September 26, 2018. Total project costs will not exceed \$47,405.00.

Phase #	Phase	Resource Hours	Resource Costs
1	Current State Assessment	102	\$18,575.00
2	Benchmarking Research and Analysis	42	\$6,930.00
3	Transaction Review	42	\$7,500.00
4	Report Development	74	\$14,440.00
TOTAL PROJECT BUDGET		270	\$47,405.00

Hours are fungible across all tasks. Hourly rates for assigned BRONNER professionals are reflected below.

RESOURCE	ROLE	HOURLY RATE
Gila Bronner, CPA	Engagement Director	\$300
Scott Bailey, CPA, CISA	Subject Matter Expert	\$190
Daniel Hughes	Project Manager	\$175
Ed Verzo, CPA	Senior Analyst	\$175
Michael Lynch	Analyst	\$150
Christopher Crisanti	Analyst	\$150

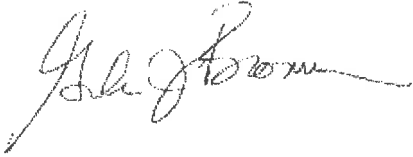
BRONNER

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BRONNER is pleased to discuss the details of this important project and any other specific considerations. We are prepared to commence work upon notification to proceed.

We thank you for the opportunity to submit this proposal to Lake County and look forward to working with you on this important project. If you have any questions or desire any additional information, please contact me directly at (312) 759-5101 or by e-mail at gbronner@bronnergroup.com.

Very truly yours,
BRONNER GROUP, LLC

A handwritten signature in black ink, appearing to read 'Gila J. Bronner', with a long horizontal flourish extending to the right.

Gila J. Bronner, CPA
President and CEO

BRONNER

