



City Clerk Document No. _____

City Council Meeting Date: April 27, 2023

**CITY OF CHANDLER SERVICES AGREEMENT
AUDIT SERVICES
CITY OF CHANDLER AGREEMENT NO. 4596**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Heinfeld, Meech & Co., P.C., an Arizona professional corporation (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____, 2023 (Effective Date).

RECITALS

A. City proposes to enter an agreement for audit services as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.

B. Contractor is ready, willing, and able to provide the services described in Exhibit A for the compensation and fees set forth and as described in Exhibit B, which is attached to and made a part of this Agreement by this reference.

C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

SECTION I: DEFINITIONS

For purposes of this Agreement, the following definitions apply:

Agreement means the legal agreement executed between the City and the Contractor

City means the City of Chandler, Arizona

Contractor means the individual, partnership, or corporation named in the Agreement

Days means calendar days

May, Should means something that is not mandatory but permissible

Shall, Will, Must means a mandatory requirement

SECTION II: CONTRACTOR'S SERVICES

Contractor must perform the services described in Exhibit A to the City's satisfaction within the terms and conditions of this Agreement and within the care and skill that a person who provides

similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.

SECTION III: PERIOD OF SERVICE

Contractor must perform the services described in Exhibit A for the term of this Agreement.

The term of the Agreement is one year, and begins on June 1, 2023, and ends on May 31, 2024, unless sooner terminated in accordance with the provisions of this Agreement. The City and the Contractor may mutually agree to extend the Agreement for up to four additional terms of one year each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

SECTION IV: PAYMENT OF COMPENSATION AND FEES

Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit B for performance of the services approved and accepted by the City under this Agreement must not exceed \$147,000. Contractor must submit requests for payment for services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subcontractor's or supplier's actual requests for payment plus similar narrative and listing of their work. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work completed on the service during the preceding month. All requests for payment must be submitted to the City for review and approval. The City will make payment for approved and accepted services within 30 days of the City's receipt of the request for payment. Contractor bears all responsibility and liability for any and all tax obligations that result from Contractor's performance under this Agreement.

All prices offered herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, the City may approve a fully documented request for a price adjustment. The City shall determine whether any requested price increases for extension terms is acceptable to the City. If the City approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon by the Parties a written Agreement Amendment shall be approved and executed by the Parties.

SECTION V: GENERAL CONDITIONS

5.1 Records/Audit. Records of the Contractor's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between the City and Contractor must be kept on the basis of generally accepted accounting principles and must be made available to the City and its auditors for up to three years following the City's final acceptance of the services under this Agreement. The City, its authorized representative, or any federal agency, reserves the right to audit Contractor's records to verify the accuracy and appropriateness of all cost and pricing data,

including data used to negotiate this Agreement and any amendments. The City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from the Contractor following final contract payment on this Agreement if, upon audit of the Contractor's records, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data. The Contractor will include a similar provision in all of its contracts with subcontractors providing services under the Agreement Documents to ensure that the City, its authorized representative, or the appropriate federal agency, has access to the subcontractors' records to verify the accuracy of all cost and pricing data. The City reserves the right to decrease Contract price or payments made on this Agreement or request reimbursement from the Contractor following final payment on this Agreement if the above provision is not included in subcontractor agreements, and one or more subcontractors refuse to allow the City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for compensation for such work or materials furnished.

5.3 Termination for Convenience. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by the Contractor. In the event the City abandons or suspends the services, or any part of the services as provided in this Agreement, the City will notify the Contractor in writing and immediately after receiving such notice, the Contractor must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. The Contractor must appraise the work Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's work to appraise the work completed. The Contractor will receive compensation in full for services performed to the date of such termination. The fee shall be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed

the payment set forth in this Agreement nor as amended in accordance with Alteration in Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

5.4 Termination for Cause. The City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement, (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is appointed for Contractor or for any of Contractor's property (e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

5.5 Indemnification. The Contractor (Indemnitor) must indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees (Indemnitee) from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) (Claims) caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Contractor must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. The Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to this Agreement. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

5.8 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

For the City

Name: Christina Pryor
 Title: Procurement and Supply Senior Manager
 Address: 175 S. Arizona Ave., 3rd Floor
Chandler, AZ 85225
 Phone: 480-782-2403
 Email: christina.pryor@chandleraz.gov

For the Contractor

Name: Diane Bradley
 Title: Partner - Administration
 Address: 10120 N Oracle Rd
Tucson, AZ 85704
 Phone: 520-903-6867
 Email: diane.bradley@hm.cpa

5.9 Successors and Assigns. City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

5.10 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.

5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Withholding Payment. The City reserves the right to withhold funds from the Contractor's payments up to the amount equal to the claims the City may have against the Contractor until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control

over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City for approval the names of subcontractors to be used under this Agreement. Any subsequent changes are subject to the City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in

the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.23 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.24 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

5.25 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, the Contractor must provide written notice to the City, as set forth in this Section, of any work or services performed by the Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice must be given seven business days prior to commencement of the services by the Contractor for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against the City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for the Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor represents that except for those persons, entities, and projects identified to the City, the services performed by the Contractor under this Agreement are not expected to create an interest with any person, entity, or third-party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.26 Data Confidentiality and Data Security. As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits,

analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

5.27 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees

to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.28 Jurisdiction and Venue. This Agreement is made under and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.29 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.30 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.31 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.32 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.33 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.34 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.35 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.

5.36 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.37 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.38 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.39 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

- Exhibit A - Project Description/Scope of Services
- Exhibit B - Compensation and Fees
- Exhibit C - Insurance Requirements
- Exhibit D - Special Conditions
- Exhibit E - Third-Party Connection Agreement Terms and Conditions
- Exhibit F - Network Connection Policy
- Exhibit G - Third-Party Connection Request - Information Requirements Document

5.40 Special Conditions. As part of the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.

5.41 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, the Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. The Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.42 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.43 Licenses and Permits. Beginning with the Effective Date and for the full term of this Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.44 Warranties. Contractor must furnish a one-year warranty on all work and services performed under this Agreement. Contractor must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Contractor, subcontractors, or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Contractor (including, but not limited to, all parts and labor) at Contractor's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to the City on or before the City's final acceptance of Contractor's services under this Agreement.

5.45 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.46 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.47 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.

This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

FOR THE CITY

By: _____

Its: Mayor

FOR THE CONTRACTOR

By:  _____

Its: Partner - Administration

APPROVED AS TO FORM:

By: _____

City Attorney



ATTEST:

By: _____

City Clerk

EXHIBIT A SCOPE OF SERVICES

General Requirements

The audits must be performed in accordance with auditing standards generally accepted in the United States, as set forth by the American Institute of Certified Public Accountants (AICPA), the standards set forth for financial audits in the General Accounting Office (GAO) Government Accounting Standards (as revised in 1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as well as the following additional requirements:

- The State of Arizona Uniform Expenditure Reporting System requirements
- The State of Arizona Department of Environmental Quality Local Government Financial Test
- The U.S. Department of Housing and Urban Development (HUD) Financial Data Schedule (FDS) per Chapter 2 of the Statement on Standards for Attestation Engagements (SSAE) No. 10 for the AICPA.

In addition, the Contractor may conduct, at the request of the City, other special audits or consulting services for selected departments or programs.

Specific Requirements

The City requires the Contractor to express an opinion on the fair presentation of its basic financial statements in conformity with accounting principles generally accepted in the United States.

The Contractor is not required to audit the combining and individual non-major fund financial statements and supporting schedules. However, the Contractor will provide an "in-relation-to" report on the combining and individual non-major fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.

The Contractor will be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by auditing standards generally accepted in the United States.

The Contractor is not required to audit the schedule of expenditures of federal awards. However, the Contractor will provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Reports

Following the completion of the audit of the year's financial statements, the Contractor will issue:

- A report on the fair presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in-relation-to" to the audited financial statements.
- A report on the fair presentation of the financial statements of the Chandler Cultural Foundation in conformity with accounting principles generally accepted in the United States.
- A report on the fair presentation of the financial statements of the Chandler Museum Foundation in conformity with accounting principles generally accepted in the United States.

- A report on compliance and on internal control over financial reporting based on an audit of financial statements generally accepted government auditing standards.
- A report on compliance and internal control over compliance applicable to each major federal program.
- A report on compliance with the Uniform Expenditure Limitation reporting system requirements, ARS 41-1279.07.
- A report on compliance with the Arizona Department of Environmental Quality Local Government Financial Tet, 40 CFR 258.74.
- Electronic submission of the Financial Data Schedule (SF SAC) to HUD's Real Estate Assessment Center (REAC).
- A report on the fair presentation of the financial statements of the Chandler Health Care Benefit Trust Fund of the City in conformity with accounting principles generally accepted in the U.S.
- A report on the fair presentation of the financial statements of the Chandler Worker's Compensation and Employer Liability Trust Fund of the City in conformity with accounting principles generally accepted in the United States.
- A bi-annual report on the Purchasing Card program beginning with fiscal year ending June 30, 2023.
- A bi-annual report on applying agreed-upon procedures related to the certification of land use assumptions, infrastructure improvement plan and development impact fees.
- Assist in presentation of audit results to City Council per requirements of ARS § 41-1494.

In the required reports on compliance and internal controls, the Contractor will communicate any significant deficiencies found during the audit. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles. Material weaknesses will also be identified as such in the report. Other matters discovered by the Contractor will be reported in a separate letter to management, which will be referred to in the report(s) on compliance and internal controls.

Irregularities and Illegal Acts. Contractor will be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which it becomes aware to the City's Deputy City Manager/CFO.

Contractor will ensure that the City is informed of each of the following:

- The Contractor's responsibility under auditing standards generally accepted in the United States
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

Special Considerations

- The City will send its Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of

Achievement for Excellence in Financial Reporting program (Certificate Program). The Contractor will be required to review the financial statements against the Certificate Program checklist to ensure compliance with the requirements of that program.

- The City typically prepares one or more official statements each year in connection with the sale of debt securities, which contains the basic financial statements and the auditor's report thereon. Currently, the City does not require its Contractor to issue a "consent and citation of expertise" as the auditor and/or any necessary "comfort letters." However, the Contractor will be required, if requested by the City's financial advisor and/or underwriter, to issue such letters, as needed.
- The City has determined that the U.S. Department of Housing and Urban Development will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
- The schedule of expenditures of federal awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the Annual Comprehensive Financial Report but are to be issued separately.

Working Paper Retention and Access to Working Papers

- All working papers and reports must be retained, at the Contractor's expense, for a minimum of five (5) years, unless the Contractor is notified in writing by the City of the need to extend the retention period. The Contractor will be required to make working papers available, upon request, to the following parties or their designees: City, U.S. Department of Housing and Urban Development, United States General Accounting Office (GAO), parties designated by the federal or state governments or by the City as part of an audit quality review process, and auditors of entities of which the City is a sub-recipient of grant funds.
- In addition, the Contractor will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Components for Fiscal Year and Calendar Year Audits will include, but not be limited to the following, and will be scheduled with mutually agreed upon dates:

- Entrance conference with Accounting Senior Manager, Financial Services Assistant Director, Deputy City Manager/CFO and key personnel.
Note: The purpose of this meeting will be to discuss the interim work to be performed. This meeting will also be used to establish overall liaison for the audit, to make arrangements for workspace and any other needs of the Contractor.
- Detailed Audit Plan
Note: The Contractor will provide the City with both a detailed plan and a list of all schedules to be prepared by the City. Future years meeting dates, as applicable, will be determined mutually by the City and the Contractor.
- Commencement of year-end-audit field work
- Completion of audit field work
- Draft Financial Statements
Note: The City will provide the Contractor with a draft of the Annual Comprehensive Financial Report for review.
- Exit interview with Accounting Senior Manager, Financial Services Assistant Director and Deputy City Manager/CFO
Note: The purpose of the meeting will be to summarize the results of the field work, review significant findings and review the draft financial report.

- Signed Auditors Opinion delivered to the City

Assistance to be provided to the Contractor and Report Preparation

- Accounting Division and Clerical Assistance - the Accounting Division staff and responsible management personnel will be available during the audit to assist the Contractor by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City.
- Electronic Data Processing (EDP) Assistance - the City's Information Technology Division personnel will be available to provide systems documentation and explanations.
- Statements and Schedules to be prepared by the City Staff - City staff will prepare the trial balances and all required statements and schedules for the Contractor in accordance with the above list of reports.
- Work Area, Telephones, and Photocopying/fax services - the City will provide the Contractor with reasonable workspace, desks and chairs, access to a telephone line, and photocopying/fax facilities.
- Report Preparation - City staff will prepare, print and bind the Annual Comprehensive Financial Report, the ADEQ report and the Uniform Expenditure Reporting System report. The Contractor will prepare, print, and bind the single audit report, Chandler Health Care Benefit Trust report, Chandler Worker's Compensation and Employer Liability Trust report, Chandler Cultural Foundation report and the Chandler Museum Foundation report.

EXHIBIT B
COMPENSATION AND FEES

Fees are inclusive of all services included in the Scope of Services.

DESCRIPTION	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Annual Comprehensive Financial Report	\$76,500	\$78,800	\$81,150	\$83,600	\$86,100
Chandler Cultural Foundation Report	\$16,850	\$17,350	\$17,900	\$18,400	\$18,950
Chandler Museum Foundation Report	\$11,000	\$11,350	\$11,700	\$12,050	\$12,400
Single Audit Reports (Uniform Guidance)	\$18,750	\$19,300	\$19,850	\$20,450	\$21,100
Annual Expenditure Limitation Report	\$1,500	\$1,550	\$1,600	\$1,650	\$1,700
ADEQ Landfill Assurance Report	\$2,250	\$2,325	\$2,400	\$2,475	\$2,550
Chandler Worker's Compensation and Employer Liability Trust Fund Report	\$7,500	\$7,725	\$7,950	\$8,200	\$8,450
Chandler Purchase Card Review Report	\$3,650	N/A	\$3,850	N/A	\$4,050
Development Impact Fees Report	N/A	\$14,500	N/A	\$15,000	N/A
TOTAL	\$138,000	\$152,900	\$146,400	\$161,825	\$155,300

DESCRIPTION	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Chandler Health Care Benefits Trust Fund Report	\$9,000	\$9,275	\$9,550	\$9,825	\$10,125

Professional Hourly Fees for Additional Services

Personnel	Hourly Rate
Partners	\$280
Managers	\$220
Supervisory Staff	\$165
Staff	\$120
Other (Specify) – Administrative	\$75

The above hourly rates will be used for the first contract year. These hourly rates will be increased by 3% annually for any additional work completed in subsequent contract years.

EXHIBIT C INSURANCE

INSURANCE

General.

- A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent

contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*
Vehicle Liability: Contractor must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- C. *Workers Compensation and Employers Liability Insurance:* Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- D. *Professional Liability.* If the Agreement is the subject of any professional services or work performed by the Contractor, or if the Contractor engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Contractor must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Contractor, or anyone employed by the Contractor, or anyone whose acts, mistakes, errors and omissions the Contractor is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for three years past completion and acceptance of the work or services, and the Contractor, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a three-year period.
- E. *Technology Errors and Omissions Liability including Network Security and Privacy Liability*

For Contracts under \$500,000

	Minimum Limits:
Per Loss	\$ 3,000,000
Aggregate	\$ 3,000,000

For Service Contracts over \$500,001

	Minimum Limits:
Per Loss	\$ 5,000,000
Aggregate	\$ 5,000,000

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two years beginning at the time work under this Contract is completed.

If such insurance is maintained on an occurrence form basis, Contractor shall maintain such insurance for an additional period of one year following termination of Contract. If such insurance is maintained on a claims-made basis, Contractor shall maintain such insurance for an additional period of three years following termination of the Contract.

If Contractor contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Contractor shall provide proof of same.

The insurance shall provide coverage for the following risks

- a. Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form
- b. Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure
- c. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.

Additional Requirements:

- a. The policy shall provide a waiver of subrogation

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

1. The Contractor's insurance must contain broad form contractual liability coverage.

2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the Contractor and must not contribute to it.
3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.
5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.
6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three-year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

- A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:
1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.
 2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.

EXHIBIT D
SPECIAL CONDITIONS

NONE

EXHIBIT E

THIRD-PARTY CONNECTION AGREEMENT TERMS AND CONDITIONS

Object: To ensure that a secure method of connectivity is provided between Chandler and Company to provide guidelines for the use of network and computing resources associated with the Network Connection as defined below.

Definition: "Network Connection" means one of the City of Chandler connectivity options listed in Section B of the Network Connection Policy.

1. Right to Use Network Connection. Company may only use the Network Connection for business purposes as outlined by the Third-Party Connection Request -Information Requirements Document.
2. City of Chandler Owned Equipment.
 - 2.1. The City of Chandler may, in the City of Chandler's sole discretion, loan to Company certain equipment and/or software for use on Company premises (the City of Chandler-Owned Equipment) under the terms of the City of Chandler Equipment Loan Agreement set forth in Attachment 5. City of Chandler-Owned Equipment will only be configured for TCP/IP and will be used solely by Company on Company's premises and for the purposes set forth in this Agreement.
 - 2.2. Company may modify the configuration of the City of Chandler-Owned Equipment only after notification and approval in writing by authorized City of Chandler personnel.
 - 2.3. Company will not change or delete any passwords set on City of Chandler-Owned Equipment without prior approval by authorized City of Chandler personnel. Promptly upon any such change, Company shall provide City of Chandler with such changed password.
3. Network Security.
 - 3.1. Company will allow only Company employees approved in advance by City of Chandler ("Authorized Company Employees") to access the Network Connection or any City of Chandler-Owned Equipment. Company shall be solely responsible for ensuring that Authorized Company Employees are not security risks, and upon City of Chandler's request, Company will provide City of Chandler with any information reasonably necessary for City of Chandler to evaluate security issues relating to any Authorized Company Employee. Access to the Network Connection or any City of Chandler-Owned Equipment
 - 3.2. Company will promptly notify City of Chandler whenever any Authorized Company Employee leaves Company's employ or no longer requires access to the Network Connection or City of Chandler-Owned Equipment.

- 3.3. Each party will be solely responsible for the selection, implementation, and maintenance of security procedures and policies that are sufficient to ensure that (a) such party's use of the Network Connection (and Company's use of City of Chandler-Owned Equipment) is secure and is used only for authorized purposes, and (b) such party's business records and data are protected against improper access, use, loss alteration or destruction.
4. Notifications. Company shall notify City of Chandler in writing promptly upon a change in the user base for the work performed over the Network Connection or whenever in Company's opinion, a change in the connection and/or functional requirements of the Network Connection is necessary.
5. Payment of Costs. Each party will be responsible for all costs incurred by that party under this Agreement, including, without limitation, costs for phone charges, telecommunications equipment and personnel for maintaining the Network Connection.
6. Network Protection. Proper protection of your computer the Company's responsibility. As a condition of connecting to the City of Chandler in the normal performance of projects and tasks, all systems used by the Company must have antivirus software installed and actively running on those systems connecting to the City of Chandler-Owned Equipment. The City of Chandler will not provide, but strongly recommends the use of antivirus software and a personal firewall. The City of Chandler will not be responsible for any viruses that you may contract while connected to the City of Chandler-Owned Equipment. The City of Chandler will not be responsible for any damage your systems may receive while connected to our network.
7. Confidentiality. The parties acknowledge that by reason of their relationship to each other hereunder, each will have access to certain information and materials concerning the others technology and products that is confidential and of substantial value to that party, which value would be impaired if such information were disclosed to third parties (Confidential Information.). Should such Confidential Information be orally or visually disclosed, the disclosing party shall summarize the information in writing as confidential within thirty (30) days of disclosure. Each party agrees that it will not use in any way for its own account, except as provided herein, nor disclose to any Third-Party, any such Confidential Information revealed to it by the other party. Each party will take every reasonable precaution to protect the confidentiality of such Confidential Information. The parties acknowledge and complete the attached full Non-Disclosure Agreement. Upon request by the receiving party, the disclosing party shall advise whether or not it considers any particular information or materials to be Confidential Information. The receiving party acknowledges that unauthorized use or disclosure thereof could cause the disclosing party irreparable harm that could not be compensated by monetary damages. Accordingly, each party agrees that the other will be entitled to seek injunctive and preliminary relief to remedy any actual or threatened unauthorized use or disclosure of such other party's Confidential Information. The receiving party's obligation of confidentiality shall not apply to information that: (a) is already known to the receiving party or is publicly available at the time of disclosure; (b) is disclosed to the receiving party by a Third-Party who is not in breach of an obligation of confidentiality to the party to this agreement which is claiming a proprietary right in such information; or (c) becomes publicly available after disclosure through no fault of the receiving party.

8. Term, Termination and Survival. This Agreement will remain in effect until terminated by either party. Either party may terminate this agreement for convenience by providing not less than thirty (30) days prior written notice, which notice will specify the effective date of termination. Either party may also terminate this Agreement immediately upon the other party's breach of this Agreement. Company's obligations under this Agreement shall survive any termination of this Agreement.

9. **MISCELLANEOUS.**

9.1. Severability. If for any reason a court of competent jurisdiction finds any provision or portion of this Agreement to be unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

9.2. Waiver. The failure of any party to enforce any of the provisions of this Agreement will not be construed to be a waiver of the right of such party thereafter to enforce such provisions.

9.3. Assignment. Neither party may assign this Agreement, in whole or in part, without the other party's prior written consent. Any attempt to assign this Agreement, without such consent, will be null and of no effect. Subject to the foregoing, this Agreement is for the benefit of and will be binding upon the parties' respective successors and permitted assigns.

9.4. Force Majeure. Neither party will be liable for any failure to perform its obligations in connection with any Transaction or any Document if such failure results from any act of God or other cause beyond such party's reasonable control (including, without limitation, any mechanical, electronic or communications failure) which prevents such party from transmitting or receiving any Documents.

EXHIBIT F

NETWORK CONNECTION POLICY

Purpose: To ensure that a secure method of network connectivity between City of Chandler and all third parties and to provide a formalized method for the request, approval and tracking of such connections.

1. Scope

External company data network connections to City of Chandler can create potential security exposures if not administered and managed correctly and consistently. These exposures may include non-approved methods of connection to the City of Chandler network, the inability to shut down access in the event of a security breach, and exposure to hacking attempts. Therefore, all external company data network connections will be via the Global Partners Network. This policy applies to all new Third-Party Network Connection requests and any existing Third-Party Network Connections. When existing Third-Party Network Connections do not meet all of the guidelines and requirements outlined in this document, they will be re-engineered as needed.

- 2. Definitions:** A "Network Connection" is defined as one of the connectivity options listed in Section B. below. Third Parties. is defined as City of Chandler Partners, Vendors, Suppliers and the like.

3. Third-Party Connection Requests and Approvals

All requests for Third-Party connections must be made using the appropriate method based on the support organization. The City of Chandler shall provide remote access via Virtual Private Network (VPN) and network account connectivity for the express purposes of carrying out business related connectivity which permits Heinfeld, Meech & Co., P.C., to perform audit services.

The required information is outlined in the **Third-Party Connection Request - Information Requirements Document**. All information requested on this form must be completed prior to approval and sign off. It is Company's responsibility to ensure that Company has provided all of the necessary information and that such information is correct.

All Third-Party connection requests must have a City of Chandler VP level signature for approval. In some cases, approval may be given at a lower level with pre-authorization from the appropriate City of Chandler VP. Also, all Third Parties requesting a Network Connection must complete and sign a City of Chandler Non-Disclosure Agreement.

As a part of the request and approval process, the technical and administrative contact within Company's organization or someone at a higher level within Company will be required to read and sign the "Third-Party Connection Agreement " and any additional documents, such as the City of Chandler Non-Disclosure Agreement.

4. Connectivity Options

The following five connectivity options are the standard methods of providing a Third-Party Network Connection. Anything that deviates from these standard methods must have a waiver sign-off at the City of Chandler VP level.

- a. VPN / Encrypted Tunnel - Encrypted tunnels should [must?] be terminated on the Partners Network whenever possible. In certain circumstances, it may be required to terminate an encrypted tunnel on the dirty subnet, in which case the normal City of Chandler perimeter security measures will control access to Internal devices.
- b. Secure Shell (SSH) access from Internet – Secure shell access from the Internet will be only be via secure shell (SSH) provided by first using SSH to the Third-Party gateway machine, where the connection will be authenticated per Section E. below. Once the connection is authenticated, SSH sessions to internal hosts will be limited to those services needed by using the authorization capabilities of City of Chandler Secure Database.

5. Third-Party (Partner) Access Points

When possible, Third-Party (Partner) Access Points (PAPs) should be established in locations such that the cost of the access is minimized. Each PAP should consist of at least one router with leased line with Frame Relay, ISDN or VPN capability.

6. Services Provided

In general, services provided over Third-Party Network Connections should be limited only to those services needed, and only to those devices (hosts, routers, etc.) needed. **Blanket access will not be provided for anyone.** The default policy position is to deny all access and then only allow those specific services that are needed and approved by City of Chandler pursuant to the established procedure.

In no case shall a Third-Party Network Connection to City of Chandler be used as the Internet connection for the Third-Party.

The standard set of allowable services is listed below:

File Exchange via ftp - Where possible, file exchange via ftp should take place on the existing City of Chandler ftp servers (server name(s) and addresses to be obtained from IT) for all other work). IT supported Third-Party connections have additional FTP services provided by a server in on the Partners Network.

Electronic Mail Exchange - Business-related email exchange between City of Chandler and Third Parties may be conducted over the Network Connection as needed. Mail from Third-Party sites to Non-City of Chandler addresses will not be allowed over the Network Connection.

SSH Access – Secure shell access will be provided to specific City of Chandler hosts, as explicitly needed. Employees from Third Parties will only be given accounts on the specific City of Chandler hosts that are needed. Where possible, router ACLs and static routes will be used to limit the paths of access to other internal City of Chandler hosts and devices.

NOTE: NIS accounts and Directory Services are not to be established for employees of Third Parties who have accounts on City of Chandler hosts.

Web Resource Access - Access to internal web resources will be provided on an as-needed basis. Access will be provided by mirroring the appropriate web resources to a web server that resides on the Partners Network. Access to City of Chandler's public web resources will be accomplished via the normal Internet access for the Third-Party.

Access to Source Code Repositories This access will be decided on case-by-case basis.

Print Services - Print services can be provided to City of Chandler IT-supported Third-Party connections by via two print spoolers on the City of Chandler Partners Network. City of Chandler-owned printers that boot off the print spoolers will be located on the City of Chandler, extended network at the Third-Party sites.

SQL*Net Access - This will be decided on a case-by-case basis.

ERP Access - This will be decided on a case-by-case basis.

Windows File Exchange - File exchange will be provided by Windows file servers located on the City of Chandler Partners Network. Each Third-Party needing Windows File exchange will be provided with a separate folder that is only accessible to that Party and the necessary people at City of Chandler.

7. Authentication for Third-Party Network Connections

Third-Party Network Connections made via remote dial-up using PPP/SLIP or VPN to SSH over the Internet will be authenticated using the City of Chandler VPN Access System. VPN access will be granted via separate accounts specifically for Third-Party individual.

8. City of Chandler Equipment at Third-Party Sites

In many cases it may be necessary to have City of Chandler-owned and maintained equipment at a Third-Party site. All such equipment will be documented on the Third-Party Connection Request. Information Requirements Document. Access to network devices such as routers and switches will only be provided to City of Chandler support personnel. All City of Chandler-Owned Equipment located at Third-Party sites must be used only for business purposes. Any misuse of access or tampering with City of Chandler-provided hardware or software, except as authorized in writing by City of Chandler, may, in City of Chandler's sole discretion, result in termination of the connection agreement with the Third-Party. If City of Chandler equipment is loaned to a Third-Party, the Third-Party will be required to sign an appropriate City of Chandler Equipment Loan Agreement, if one is required.

9. Protection of Company Private Information and Resources

The City of Chandler network support group responsible for the installation and configuration of a specific Third-Party Connection must ensure that all possible measures have been taken to protect the integrity and privacy of City of Chandler confidential information. At no time should City of Chandler rely on access/authorization control mechanisms at the Third-Party's site to protect or prohibit access to City of Chandler confidential information.

Security of Third-Party Connections will be achieved by implementing "Access Control Lists" on the Partner Gateway routers to which the Third-Party sites are connected. The ACLs will restrict access to pre-defined hosts within the internal City of Chandler network. The ACLs will be determined by the appropriate support organization. A set of default ACLs may be established as a baseline.

Enable-level access to City of Chandler-owned/maintained routers on Third-Party premise will only be provided to the appropriate support organization. All other business personnel (i.e. Partner Site local technical support personnel) will have restricted access/read-only access to the routers at their site and will not be allowed to make configuration changes.

City of Chandler shall not have any responsibility for ensuring the protection of Third-Party information. The Third-Party shall be entirely responsible for providing the appropriate security measures to ensure protection of their private internal network and information.

10. Audit and Review of Third-Party Network Connections

All aspects of Third-Party Network Connections - up to, but not including Company's firewall, will be monitored by the appropriate City of Chandler network support group. Where possible, automated tools will be used to accomplish the auditing tasks. Monthly reports should be generated on the Partners Authentication database showing the specific login entries and the appropriate City of Chandler POC. Each City of Chandler Partner POC will receive a copy of the monthly reports showing all of the accounts pertaining to his/her area. Copies of the reports will also be mailed to the department directors.

Nightly audits will be performed on all City of Chandler-owned/maintained Third-Party router/network device configurations and the output will be mailed to the appropriate City of Chandler network support group. Any unauthorized changes will be investigated immediately.

All Third-Party Network Connections will be reviewed on a quarterly basis and information regarding specific Third-Party Network Connection will be updated as necessary. Obsolete Third-Party Network Connections will be terminated.

11. City of Chandler Corporate IT Information Security Organization

City of Chandler Information Technology Security has the responsibility for maintaining related policies and standards. Corporate IT Security will also provide advice and assistance regarding judgment calls, and will facilitate information gathering in order to make a correct decision.

Global coordination of confidentiality and non-disclosure agreements with all third parties is also the responsibility of City of Chandler IT Security.

12. City of Chandler Network Operations Services

City of Chandler Network Operations Services and IT Security is responsible for all global firewall design, configuration and engineering required for support of any and all Third-Party connections.

EXHIBIT G

THIRD-PARTY CONNECTION REQUEST – INFORMATION REQUIREMENTS DOCUMENT

In accordance with the City of Chandler Network Connection Policy, all requests for Third-Party Network Connections must be accompanied by this completed Information Requirements Document prior notice to proceed is issued. The City of Chandler IT Staff, Project Management or Procurement staff with the consultation of the Third-Party requesting the Network Connection should complete this document.

A. Contact Information

Chandler Requester Information	Consultant's Primary POC Requester Information
Name: Robert Steele	Name: Joshua Jumper
Department: Management Services	Department: Audit
Department Number: 1230	Department Name: Audit
Manager's Name: Kristi Smith	Manager's Name: Corey Arvizu
Director's Name: Dawn Lang	Director's Name: Jill Shaw
Phone Number: 480-782-2324	Phone Number: 480-600-8191
Email Address: Robert.steele@chandleraz.gov	Email Address: Joshua.Jumper@hm.cpa
Technical Contact Information	Technical Contact Information
Name: Robert Steele	Name: Ryan Gordon
Department: Management Services	Department: Information Technology
Department Number: 1230	Manager's Name: Diane Bradley
Manager's Name: Kristi Smith	Director's Name: Jill Shaw
Director's Name: Dawn Lang	Phone Number: 520-903-6878
Phone Number: 480-782-2324	Mobile Number:
Email Address: Robert.steele@chandleraz.gov	Email Address: ryan.gordon@hm.cpa
Back-up Point of Contact:	Back-up Point of Contact:
Name: Lina Alam	Name: Corey Arvizu
Department: Management Services	Department: Audit
Manager's Name: Robert Steele	Manager's Name: Jill Shaw
Director's Name: Dawn Lang	Director's Name: Jill Shaw
Phone Number: 480-782-2316	Phone Number: 520-591-2313
Mobile Number: N/A	Mobile Number: N/A
Email Address: lina.alam@chandleraz.gov	Email Address: Corey.Arvizu@hm.cpa

B. Problem Statement/Purpose of Connection

- What is the desired end result?
Perform the City of Chandler, Financial Audit

2. Company must include a statement about the business needs of the proposed connection.
Connect remotely and perform the audit tasks.

C. Scope of Needs (In some cases, the scope of needs may be jointly determined by the supporting organization and the Third-Party.)

1. What services are needed? (See Section D. of Network Connection Policy)
VPN Remote Access
2. What are the privacy requirements (i.e. do you need encryption)?
Yes, Provided via the SSL VPN Tunnel
3. What are the bandwidth needs?
No, special bandwidth needs. Internet connectivity from Heinfeld Meech's Internet Service Provider
4. How long is the connection needed?
From early July through November, possibly longer, each year.
5. What are future requirements, if any?
Could possibly be a year-round engagement due to other audit engagements with the City of Chandler.

D. Third-Party Information

1. Third-Party Name
Heinfeld, Meech & Co., P.C. (Heinfeld Meech)
2. Management contact (Name, Phone number, Email address)
Joshua Jumper 480-600-8191 Joshua.Jumper@hm.cpa
3. Location (address) of termination point of the Network Connection (including building number, floor and room number)
Heinfeld Meech's ISP to City of Chandler VPN Firewalls (IT Building and City Hall)
4. Main phone number
602-277-9449
5. Local Technical Support Hours (7X24, etc.).
Heinfeld Meech's ISP to City of Chandler VPN Firewalls (IT Building and City Hall)
6. Escalation List
N/A
7. Host/domain names of the Third Party
hm.cpa

8. Names (Email addresses, phone numbers) of all employees of the Third-Party who will use this access. If not appropriate to list the names of all employees, then provide a count of the number of employees who will be using the connection.
See section P

E. What type of work will be done over the Network Connection?

1. Which systems will be touched and affected by this engagement? (List ALL)
 - a. RDP Using 2 computers are in the Accounting Training Room, 1PLZ8Y1 and 1GDX8Y1.
 - b. EDMS
 - c. Oracle
2. What applications will be used?
RDP, Web Applications, ApXtender, Oracle, MS Excel, MSWord.
3. What type of data transfers will be done?
Questionnaires sent via e-mail and no data transfers
4. How many files are involved?
Multiple
5. What are the estimated hours of use each week?
40
6. What are peak hours?
8:00 AM to 12:00 PM, 1:00 PM to 5:00 PM

F. Are there any known issues such as special services that are required?

Yes.

G. What type of connections is required? (e.g. City owned PC, Contractor's Laptop, VPN, WebEx)

VPN, Contractors Laptops and PC's

H. Are there any unknown issues at this point, such as what internal City of Chandler services are needed?

No Issues

I. Is a backup connection needed? (e.g., are there any critical business needs associated with this connection?)

Redundancies are provided by the City of Chandler on this side of the VPN connections

J. What is the requested installation date? (Minimum lead-time is 60 days)

7/1/2023, if a new connection needs to be established

K. What is the approximate duration of the Third-Party Network Connection?

8 to 12 months

L. Has a Non-Disclosure Agreement been sign with the Third-Party or the appropriate employees of the Third-Party?

Yes, this document.

M. Are there any existing Network Connections at City of Chandler with this company?

Yes

N. Additional Information Pertinent onsite or offsite connections

None

O. City of Chandler Remote Access VPN Standards

Listed below are important questions and Chandler standards regarding connectivity requirements.

1. What operating system and Bit count versions are you and the consultants using? (e.g. Windows 7, 64 bit, etc.)?
2. Do you currently have a VPN client installed? What is the name of the VPN technology and version?
3. Will you be using laptops or desktop systems to connect via VPN?
4. Is Anti-Virus / Firewall software installed and up-to-date and current AV definitions?
5. Chandler Supports the AnyConnect Cisco Secure Mobility Client - anyconnect-win-4.4.03034-k9
 - a) Credentials are communicated to each consultant separately via e-mail containing WinZip Zipped Archive that is encrypted using AES256. WinZip is required to extract the contents of the zip file.
 - b) We do not permit group-based logins.
 - c) **** Please attest to completion of background checks for all personnel requiring remote access.

P. Contact Information All Consultants/Support Personnel Requiring Remote Access:

- a) Names (Email addresses, phone numbers) of all employees of the Third-Party who will use this access.

Provisioning Priority	Name	Phone	E-Mail Address	VPN Form	AD Account as of
1.	Joshua Jumper	480-600-8191	Joshua.Jumper@hm.cpa	Yes	
2.	Corey Arvizu	520-591-2313	Corey.Arvizu@hm.cpa	Yes	
3.	Kalkin Stransky	602-277-9449	Kalkin.Stransky@hm.cpa	Yes	