



**Lance, Soll, & Lunghard LLP**  
*Technological Consulting Team*

# LETTER OF ENGAGEMENT

**DTD: Tuesday, November 21, 2023**

**Service Contract Expiration: Tuesday, December 31, 2024**

Hidalgo County Purchasing  
The County of Hidalgo  
yolanda.velasquez@co.hidalgo.tx.us

## **SUBJECT: SERVICE AND CONSULTATION INTENT**

This letter confirms the terms of the technology and accounting consulting services Lance, Soll & Lunghard, LLP (LSL) will provide. All information provided to us will be confidential and privileged information. We will not utilize the client information provided in any manner other than to assist in providing consultation services. It will be our policy to schedule meetings utilizing the appropriate software to provide consultation and services to your team from off site. Any services, including technical support and consultation, will occur after being scheduled and at an appointed time. At that time, we will log in and assist your staff with specific tasks required to resolve your issue.

This engagement letter is a contract for Pay-as-you-go service. The terms of renewal contracts may be subject to change. Any amounts paid that remain after the expiration of this contract may be applied to a new contract or services with updated rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned. The current rates are listed below and are subject to annual increase. Our invoices for these fees will be invoiced monthly and are payable on presentation

You agree that any claim arising out of this Agreement shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Lance, Soll, & Lunghard LLP.

If any portion of this Agreement is deemed invalid or unenforceable, said findings shall not operate to invalidate the remainder of the terms set forth in this Agreement.

## **BILLING AND PAYMENT TERMS**

Payment is due within 30 days of the invoice date. If payment is not received by the due date, you will be assessed interest charges of 1.5% per month on the unpaid balance.

We reserve the right to suspend or terminate our work for non-payment of fees. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services.

## **ELECTRONIC DATA COMMUNICATION AND STORAGE**

In the interest of facilitating our services to you, we may send data over the Internet, or store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications.



### **THIRD PARTY SERVICE PROVIDERS OR SUBCONTRACTORS**

In the interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third-party service provider to assist us. We require our third-party service providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and allow us to disclose your confidential information to a third-party service provider, if such disclosure is necessary to deliver professional service or provide support services to our firm.

### **INDEPENDENT CONTRACTOR**

When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint ventures, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Any obligations under this agreement are solely obligations of the firm, and no partner, principal, employee, or agent of the firm shall be subjected to any personal liability whatsoever to you or any person or entity.

### **FIRM ASSOCIATIONS**

The firm is a member of PrimeGlobal, a global association of independent accounting firms. No PrimeGlobal member firm is an agent or partner of the association or of any other member firm. No PrimeGlobal member firm has the authority to enter into any legal obligations on behalf of the association or any other member firm. If the firm introduces you to another PrimeGlobal member firm, this firm specifically denies any liability for any work performed by that firm. You should make your own contractual arrangements with that firm for work that they perform. The fact that you may have been introduced to us by another PrimeGlobal member firm does not make that firm, its partners or its employees responsible for any of our acts or omissions.

The firm is not the agent or partner of PrimeGlobal or any other member firm and does not have the authority to enter into legal obligations on behalf of either the association or any other member firm thereof. You agree that this firm has the sole liability for any work performed under this engagement and you undertake not to make any claim or bring any proceedings against either PrimeGlobal or any other member of PrimeGlobal in relation to work covered by this engagement.

### **LIMITATIONS ON ORAL AND EMAIL COMMUNICATIONS**

We may discuss with you our views regarding the treatment of certain items or decisions you may face. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with any decision solely on the basis of any oral or email communication. You accept all responsibility, except to the extent caused by the gross negligence or willful misconduct of LSL, for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this in a separate engagement letter.

### **CONFLICTS OF INTEREST**

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product

### **MEDIATION**

If a dispute arises out of or relates to the letter including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by letter of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. Any mediator so designated must be acceptable to all parties. The mediation will be conducted in California.



The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

### **LIMITATION OF LIABILITY**

LSL liability for all claims, damages, and costs arising from this engagement is limited to three (3) times the total amount of fees paid by you to us for services rendered under this letter.

### **INDEMNIFICATION**

You agree to hold LSL harmless from any and all claims which arise from knowing misrepresentations to us by your management, or the intentional withholding or concealment of information from us by your management. You also agree to indemnify us for any claims made against us by third parties, which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

### **DESIGNATION OF VENUE AND JURISDICTION**

In the event of a dispute, you and we agree that the courts of the state of California shall have jurisdiction, and we agree to submit all disputes to the Superior Court of Orange, California, which is the proper and most convenient venue for resolution. We also agree that the law of the state of California shall govern all such disputes.

### **PROPRIETARY INFORMATION**

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, letters and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

### **STATUTE OF LIMITATIONS**

You agree that any claim arising out of this letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against us.

### **TERMINATION AND WITHDRAWAL**

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of this letter or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against you resulting from your failure to meet such deadlines.

If this letter is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

### **ASSIGNMENT**

All parties acknowledge and agree that the terms and conditions of this Letter shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

### **SEVERABILITY**

If any portion of this Letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Letter.

### **CODE OF PROFESSIONAL CONDUCT**

To ensure that our independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering in any substantive employment discussions with any of our personnel. In accordance with Section 50 of the Board of Accountancy Regulations for the State of California, this shall provide notice that Lance, Soll & Lunghard CPAs, Certified Public Accountants, is licensed by the California Board of Accountancy.



## SCOPE & SCHEDULE OF SERVICES

- Provide “as-needed” support, customization services, and consulting regarding:
  - Governmental Accounting & Audit
  - Relevant software solutions
  - Process optimization & best practices

## HOURLY SERVICES

This support will be billed at our current hourly rates according to personnel level:

PERSONNEL LEVEL	2023 RATE*	2024 RATE
Partner	\$325	\$341
Senior Manager	\$225	\$236
Manager	\$210	\$220
Supervisor	\$183	\$192
Senior	\$162	\$170
Staff - Experienced	\$136	\$142
Staff - Standard	\$115	\$120
Staff – Auxiliary/Clerical	\$90	\$94

*\*Please expect an annual increase at the turn of the calendar year, not the contract renewal*

## SUMMARY

We appreciate the opportunity to be of service to The County of Hidalgo and believe this letter and any previously mentioned attachments accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,



**LANCE, SOLL & LUNGHARD, LLP**

## ACCEPTED:

This letter correctly sets forth the understanding of The County of Hidalgo

*(Required fields are in red, but filling out the other fields will expedite the client onboarding process)*

Signature:	Date:
Printed Name:	Title:
Organization Name:	Entity Type:
Email:	Phone:
Address:	
Tax Exempt (Y/N):	W-9 Required (Y/N):
COI Required (Y/N):	Local Business License Required (Y/N):