

STATE OF ILLINOIS

CONTRACT

Central Management Services

GAAP Reporting Services

CMS802755A

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract, and in signing the contract, the Contractor affirms that the Certifications and if applicable the Financial Disclosures and Conflicts of Interest attached hereto are true and accurate as of the date of the Contractor's execution of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts upon agreement of the Parties.

Contract uses Illinois Procurement Gateway Certifications and Disclosures?

Yes (IPG Certifications and Disclosures including FORMS B)

No

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In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page.

STATE OF ILLINOIS


CONTRACT

Central Management Services


GAAP Reporting Services

CMS802755A

VENDOR

Vendor Name: Crowe Horwath, LLP	Address: 3601 Wabash Ave, Suite 201, Springfield, IL 62711
Signature: 	Phone: 217.862.2702
Printed Name: Chris Mower	Fax: 217.862.2701
Title: Partner	Email: chris.mower@crowehorwath.com
Date: June 26, 2017	www.crowehorwath.com

STATE OF ILLINOIS

Procuring Agency: Central Management Services	Phone: 217.557.5695
Street Address: 401 S Spring	Fax: 217.782.5187
City, State ZIP: Springfield, IL 62706	
Official Signature: 	Date: 6/30/17
Printed Name: Michael M. Hoffman	By: Tracy Rutter
Official's Title: Acting Director	Title: Deputy Director
Legal Signature:	Date:
Legal Printed Name:	
Legal's Title:	
Fiscal Signature:	Date:
Fiscal's Printed Name:	
Fiscal's Title:	

AGENCY/UNIVERSITY USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

Agency Reference # 17-102755	Project Title: GAAP Reporting Services
Contract # CMS802755A	Procurement Method (IFB, RFP, Small, etc): RFP
IPB Ref. # 22039858	IPB Publication Date: 04/17/2017 Award Code: B
Subcontractor Utilization? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subcontractor Disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Funding Source	Obligation #
Small Business Set-Aside? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Minority Owned Business? <input type="checkbox"/> Yes <input type="checkbox"/> No Percentage	
Female-Owned Business? <input type="checkbox"/> Yes <input type="checkbox"/> No Percentage	
Persons With Disabilities Owned Business? <input type="checkbox"/> Yes <input type="checkbox"/> No Percentage	
Other Preferences?	

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1. DESCRIPTION OF SUPPLIES AND SERVICES

1.1. SUPPLIES AND/OR SERVICES REQUIRED:

This master Contract is established to provide assistance in preparing and reviewing year-end agency GAAP packages, financial statements, footnotes and schedules required by the Illinois Office of the Comptroller and/or Auditor General for financial reporting.

1.1.1 Planning Session

1.1.1.1 For each GAAP package, develop a timeline allowing sufficient time for data collection, preparation and review with the User Agency.

1.1.1.2 Identify protocols and procedures for the User Agency's financial reporting.

1.1.1.3 Communicate updated accounting principles, auditing standards and best practices.

1.1.1.4 Identify GAAP project team

1.1.1.5 Review prior year GAAP packages, IOC comments, auditor comments and findings.

1.1.2 GAAP packages

Vendor will utilize User Agency procedures to extract, quantify and compile dollar amounts, converting from cash to either modified accrual or accrual basis for selected funds assigned to the Vendor. Vendor will review or prepare the aforementioned amounts in accordance with GAAP, as promulgated by the Comptroller in Chapter 27 of the SAMS Manual, on Comptroller forms required for each fund (e.g. SCO-549, SCO-563 and SCO-565).

1.1.2.1. Vendor will be given access to User Agency GAAP packages on the Comptroller's automated GAAP collection applications (WEDGE and SCO-563) in order for Vendor's staff to enter User Agency's GAAP package data. Vendor's staff may be required to:

- a. complete Comptroller SCO forms (both computerized and manual);
- b. prepare and enter all adjusting and reclassification journal entries;
- c. analyze data of interfund activity;
- d. verify applicable funds applications; and
- e. complete all required GAAP forms.

1.1.2.2. Vendor will print and assemble fund packages and non-WEDGE SCO forms, as applicable, in a format prescribed by the User Agency, for Agency supervisory and management review. This will include, but not be limited to, input of all financial data, journal entries, recalculating the trial balances and closing entries.

1.1.2.3. Vendor will perform preliminary review and verify supporting documentation.

1.1.2.4. Vendor will perform manager's level review of preparation, supporting documentation, preparation according to GAAP, if requested.

1.1.2.5. Vendor will submit each GAAP package to the User Agency for final review.

1.1.2.6. Vendor may be requested by User Agency to submit GAAP packages to IOC. All forms and submissions must be in compliance with IOC guidelines.

1.1.3. Financial and Other Reporting Assistance

Vendor may be requested to provide assistance with internal monthly or annual financial statements and associated footnotes and journal entries. This may include technical review, analysis and recommendations of accounting processes and solutions, assistance with the implementation of said processes and solutions, development of procedures, preparation and/or review of audit responses, federal reconciliations.

1.1.3.1 Vendor will assist with review of and response to IOC comments, Auditor comments, and Potential Audit Findings.

1.1.3.2 Vendor will assist with the preparation and review of the Capital Asset Summary (SCO-537/538), Compensated Absences (SCO-580), and the Schedule of Expenditures of Federal Awards (SEFA). Obtain and compile data to prepare the Capital Asset Summary (Forms SCO-537/538) and Compensated Absences (Form SCO-580). Once the amounts on the forms have been finalized, the work papers will be indexed and referenced to supporting documentation to assist in the review process.

1.1.3.3 Vendor may also be responsible for providing additional assistance throughout the year to support the annual reporting as deemed necessary by the Agency.

1.1.4. Vendor shall attend meetings with personnel from the office of Auditor General or its audit firm and prepare and/or review the responses to audit findings.

1.1.5. If requested, vendor shall prepare a closing report which may include analysis of significant/complex accounting issues, solutions for problems, create procedures for processes and recommendation for future consideration.

1.1.6 Training

At the request of the Agency, Vendor shall provide training for Agency staff at the Agency office in Springfield, Illinois to orient new staff to GAAP package components and preparation, including Statewide Accounting Management System (SAMS), WEDGE System, Capital Assets, Interfund Activity, Federal Grants/Contracts, Manual Forms, and Statewide Schedule of Expenditures of Federal Awards (SEFA).

Vendor must also refresh and update other Agency staff, as needed, to revisions of items mentioned above and new Government Accounting Standards

Develop training plan.

1.2. MILESTONES AND DELIVERABLES:

1.2.1 User Agencies will initiate service requests through a task order form. Work will not be scheduled until the estimated hours and staff levels are agreed upon through a scope of work.

1.2.2 Perform planning meeting with individual User Agencies upon execution of scope of work.

1.2.3 Vendor may be required to assemble all necessary documentation to support the amounts in the GAAP package in a format prescribed by the User Agency. Coordinate with User Agencies regarding procedures and protocols for collecting information, formatting documentation and data collection.

1.2.4 Vendor will plan to meet the guideline dates set forth each fiscal year by the IOC published dates for the forms, if required to be completed by User Agency:

- FAS 13 Listing of Multi-Year Contract Leases
- SCO-580 Compensated Absences
- Fee Imposition Report
- SCO-567 Interfund Transfers Grantee Agency
- SCO568 Interfund Transfers Grantor Agency
- SCO537, SCO538, SCO527 for Capital Assets
- Locally Held funds
- Treasury held Funds
- Significant Funds
- After GAAP Review by IOC Financial Statements
- After GAAP Review by IOC SEFA if required

1.2.5 Vendor shall provide the following reports upon request (minimum monthly):

1.2.5.1 GAAP Packages in process

1.2.5.2 GAAP Packages prepared

1.2.5.3 GAAP Packages reviewed

1.2.5.4 Weekly itemization of items needed from Agency to complete funds on a timely basis.

1.2.5.5 Status/summary report of hours worked by staff member and fund package as requested by agency.

1.3. VENDOR / STAFF SPECIFICATIONS:

1.3.1 The project team assigned to the User Agency will be identified during the planning meeting, along with the responsibility of tasks.

1.3.2. Staff qualifications and experience will be matched with the complexity of the GAAP services required by each User Agency.

1.3.3 Vendor must be able to accommodate resource needs during the GAAP season which can begin in July and end in October with additional follow-up responses.

1.3.4 Vendor's Manager and Senior Staff Accountants must maintain an active Illinois CPA license.

1.3.5 User Agencies receiving federal funds requires the vendor to have an active D-U-N-S Number.

DUNS Number #601943041

1.3.6 Vendor must provide a User Agency with written notification at least thirty (30) calendar days before any proposed change to staff who are assigned to work under this contract, and must receive approval from the User Agency before implementing any such change. If the User Agency accepts the proposed replacement candidate, as determined solely by the State, the Vendor shall provide the replacement candidate, at no charge to the State, for as many hours as is required to complete any orientation and attain the level of project proficiency of the individual that he/she replaced. Orienting is defined as the replacement candidate becoming acquainted with the State, and project environment.

1.3.7 Vendor will provide a contact person for contract administration issues.

Contact: Chris Mower

Address/Phone: 3601 Wabash Ave, Suite 201, Springfield, IL 217.862.2702 direct

Email: chris.mower@crowehorwath.com

1.3.8 CMS will provide a contact person for contract administration:

Contact:

Phone:

Email:

1.4. TRANSPORTATION AND DELIVERY: N/A

1.5. SUBCONTRACTING

Subcontractors are allowed.

For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. If subcontractors will be utilized, Vendor must identify below the names and addresses of all subcontractors it will be entering into a contractual agreement that has an annual value of \$50,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract. Attach additional sheets as necessary.

1.5.1. Will subcontractors be utilized? Yes No

- Subcontractor Name: Ringold financial Management Services Inc. (Ringold)

Amount to be paid: 10% of contract

Address: 850 South Wabash, Suite 320, Chicago, IL 60605

Description of work: Preparation and/or review of assigned GAAP packages. All procedures performed by the subcontractor will be under the direct supervision of the Crowe engagement team.

- Subcontractor Name: E.C. Ortiz & Co., LLP

Amount to be paid: 10% of contract

Address: 333 S Des Plaines Street, Suite 2N, Chicago, IL 60661

Description of work: Preparation and/or review of assigned GAAP packages. All procedures performed by the subcontractor will be under the direct supervision of the Crowe engagement team.

- 1.5.2. All contracts with the subcontractors identified above must include the Standard Certifications completed and signed by the subcontractor.
 - 1.5.3. If the annual value of any the subcontracts is more than \$50,000, then the Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.
 - 1.5.4. If the subcontractor is registered in the Illinois Procurement Gateway (IPG) and the Vendor is using the subcontractor's Standard Certifications or Financial Disclosures and Conflicts of Interest from the IPG, then the Vendor must also provide a completed Forms B for the subcontractor.
 - 1.5.5. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, in writing, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.
- 1.6. WHERE SERVICES ARE TO BE PERFORMED:** Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

- Location where services will be performed: User Agencies, statewide within the continental United States

Value of services performed at this location: 100%

2. PRICING

- 2.1 TYPE OF PRICING:** The Illinois Office of the Comptroller requires the State to indicate whether the contract value is firm or estimated at the time it is submitted for obligation. The total value of this contract is estimated.
- 2.2 EXPENSES ALLOWED:** Expenses are not allowed.
- 2.3 DISCOUNT:** The State may receive a 0 % discount for payment within n/a days of receipt of correct invoice.
- 2.4 VENDOR'S PRICING:** Attach additional pages if necessary.

2.4.1. Vendor's Price for the Initial Term:

2.4.2.1.	Staff Position	Hourly Rate
	Staff Accountant	\$132.00
	Senior Accountant	\$165.00
	Manager	\$200.00

- 2.4.2. Renewal Compensation:** If the contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.4.2.1. Agency/University Formula for Determining Renewal Compensation: Vendor submitted in cost proposal.

2.4.2.2. Vendor's Price for Renewal(s):

Staff Position	Hourly Rate
Staff Accountant	\$137.00
Senior Accountant	\$170.00
Manager	\$205.00

- 2.5 MAXIMUM AMOUNT:** The total payments under this contract shall not exceed \$N/A Master Contract.

3. TERM AND TERMINATION

3.1 TERM OF THIS CONTRACT: This contract has an initial term of July 1, 2017 or upon execution, whichever is later to June 30, 2020. If a start date is not identified, the term shall commence upon the last dated signature of the Parties.

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted pursuant to 30 ILCS 500/20-80.

3.2 RENEWAL:

3.2.1. Any renewal is subject to the same terms and conditions as the original contract unless otherwise provided in the pricing section. The State may renew this contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may neither renew automatically nor renew solely at the Vendor's option.

3.2.2. Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this contract.

3.2.3. The State reserves the right to renew for a total of forty-eight months in any one of the following manners:

3.2.3.1 One renewal covering the entire renewal allowance;

3.2.3.2 Individual one-year renewals up to and including the entire renewal allowance; or

3.2.3.3 Any combination of full or partial year renewals up to and including the entire renewal allowance.

3.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

3.4 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

3.4.1. The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

3.5 AVAILABILITY OF APPROPRIATION: This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly, or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 PAYMENT TERMS AND CONDITIONS:

- 4.1.1 **Late Payment:** Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force and effect.
- 4.1.2 **Minority Contractor Initiative:** Any Vendor awarded a contract under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) of \$1,000 or more is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.
- 4.1.3 **Expenses:** The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.
- 4.1.4 **Prevailing Wage:** As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Department of Labor and are available on the Department's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting the Illinois Department of Labor to ensure understanding of prevailing wage requirements at 217-782-6206 or (<http://www.state.il.us/agency/idol/index.htm>).
- 4.1.5 **Federal Funding:** This contract may be partially or totally funded with Federal funds. If federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided in the award notice.
- 4.1.6 **Invoicing:** By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.
- 4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency/University state tax exemption number and federal tax exemption information.
- 4.1.6.2 Vendor shall invoice at the completion of the contract unless invoicing is tied in the contract to milestones, deliverables, or other invoicing requirements agreed to in the contract.

Send invoices to:

Agency/University:	User Agency
Attn:	User Agency
Address:	User Agency
City, State Zip	User Agency

- 4.2 ASSIGNMENT:** This contract may not be assigned, transferred in whole or in part by Vendor without the prior written consent of the State.
- 4.3 SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within 15 days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract.
- 4.4 AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State pursuant the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency/University, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records. 30 ILCS 500/20-65.
- 4.5 TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

- 4.6 NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future. The User Agency agrees to release and hold Vendor harmless from any damages due to delay caused by anyone other than Vendor.
- 4.7 FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.
- 4.8 CONFIDENTIAL INFORMATION:** Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. Vendor may maintain information received under this Contract, as necessary, to support its work. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.
- 4.9 USE AND OWNERSHIP:** All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.
- 4.10 INDEMNIFICATION AND LIABILITY:** The Vendor shall indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, to the extent caused by: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death

or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any negligent act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual or alleged claim that the services or goods provided under the contract infringing, misappropriating, or otherwise violating any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party. Neither Party shall be liable for incidental, special, consequential or punitive damages, Except were it has been determined in a judicial proceeding the Vendor acted with willful misconduct, gross negligence or in cases of Vendor conduct arising from (b) above, Vendor's liability hereunder for damages, regardless of the legal theory of the claim (including without limitation to claims based in contract, negligence or other tort, warranty, indemnity, statute of common law), shall not exceed the amount paid or owed to Vendor pursuant to this Contract. In no event shall Vendor be responsible for damages relating to or arising from the State's acts of omissions. This limitation of liability shall also apply after the termination or expiration of this Contract.

- 4.11 INSURANCE:** Vendor shall, at all times during the term and any renewals maintain and provide a Certificate of Insurance naming the State as additionally insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days' notice has been provided to the State and Vendor shall endeavor to provide the requested 30 day notice if such modifications or cancellations arise. Vendor shall provide: (a) General Commercial Liability occurrence form in amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.
- 4.12 INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State. All payments by the State shall be made on that basis.
- 4.13 SOLICITATION AND EMPLOYMENT:** Neither party shall employ any person employed by the other party during the term of this Contract to perform any work under this Contract. Each party shall give notice immediately to the other party if it solicits or intends to solicit the other party's employees to perform any work under this Contract. Vendor shall notify the Agency's director and the Agency shall notify Vendor's duly authorized representative, in accordance with Section F.20.
- 4.14 COMPLIANCE WITH THE LAW:** The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.
- 4.15 BACKGROUND CHECK:** Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents assigned to perform services under this Contract. Vendor

or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background check.

- 4.16 APPLICABLE LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).
- 4.17 ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.
- 4.18 CONTRACTUAL AUTHORITY:** The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee, or State Purchasing Officer signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order. Further, Vendor shall have liability only to the State Agency that signs for the State of Illinois.
- 4.19 NOTICES:** Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.
- 4.20 MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.
- 4.21 PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business

with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

- 4.22 FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.
- 4.23 SCHEDULE OF WORK:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.
- 4.24 WARRANTIES FOR SUPPLIES AND SERVICES:**
- 4.24.1. Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.
- 4.24.2. Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.
- 4.24.3. Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies. The State shall furnish the Vendor with copies of the State policies prior to execution of the Contract.
- 4.25 REPORTING, STATUS AND MONITORING SPECIFICATIONS:** Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.
- 4.26 EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

4.27 AFFILIATES: Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. To the extent each member firm of Crowe Horwath International is a separate and independent legal entity, Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.

5. SUPPLEMENTAL PROVISIONS

5.1. STATE SUPPLEMENTAL PROVISIONS

- Agency/University Definitions

Click here to enter text.

- Required Federal Clauses, Certifications and Assurances

Click here to enter text.

- Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.

Click here to enter text.

- Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2,000 per year or printing) 30 ILCS 500/25-60.

Click here to enter text.

- Agency/University Specific Terms and Conditions

Click here to enter text.

- Other (describe)

Click here to enter text.

5.2. VENDOR SUPPLEMENTAL PROVISIONS

Click here to enter text.

updated

LETTER OF INTENT
BUSINESS ENTERPRISE PROGRAM OR VETERAN SMALL BUSINESS

Instructions: The Prime Vendor is required to submit a separate, signed Letter of Intent (LOI) from each BEP/VSB certified vendor. LOIs must be submitted with the bid/offer and must be signed by both parties.

Project Name: GAAP Reporting Services Project/Solicitation Number: 22039858

Name of Prime Vendor: Crowe Horwath LLP BEP/VSB Compliance Contact: Chris Mower

Address: 3601 Wabash Avenue, Suite 201

City: Springfield State: Illinois Zip Code: 62711

Telephone: 217.862.2702 Fax: 217.862.2701 Email: chris.mower@crowehorwath.com

Name of Certified BEP or VSB Vendor: E.C. Ortiz & Co.,LLP

Address: 333 S. Desplaines Street, Suite 2N BEP/VSB Compliance Contact: Edilberto C. Ortiz

City: Chicago State: Illinois Zip Code: 60661

Telephone: (312) 876-1900 Fax: (312) 876-1911 Email: ecortiz@ecortiz.com

Type of agreement: Services Supplies Both Services/Supplies

Anticipated start date of the Certified BEP/VSB Vendor: July 1 through October 31st for each year

Proposed 10% of Contract to be performed by the BEP/VSB Vendor.

Proposed Subcontract Amount, if known \$ TBD

NOTE: The Prime Vendor must indicate the percentage of the estimated contract award that will be subcontracted to the certified BEP/VSB Vendor.

Detailed description of work to be performed or goods/equipment to be provided by the BEP/VSB Vendor:

Preparation and/or review of assigned GAAP packages. All procedures performed by the subcontractor will be under the direct supervision of the Crowe engagement team.

The Vendor and the certified vendor above hereby agree that upon the execution of a contract for the above-named project between the Vendor and the State of Illinois, the Certified BEP VSB Vendor will perform the scope of work for the amount/percentage as indicated above.

Vendor (Company Name and D/B/A): Crowe Horwath LLP
Signature: Chris Mower
Print Name: Chris Mower
Title: Partner
Date: 05/25/2017

Certified BEP/VSB Vendor (Company Name and D/B/A): E.C. Ortiz & Co.,LLP
Signature: Edilberto C. Ortiz
Print Name: Edilberto C. Ortiz
Title: Partner
Date: 05/25/2017

updated

LETTER OF INTENT
BUSINESS ENTERPRISE PROGRAM OR VETERAN SMALL BUSINESS

Instructions: The Prime Vendor is required to submit a separate, signed Letter of Intent (LOI) from each BEP/VSB certified vendor. LOIs must be submitted with the bid/offer and must be signed by both parties. The Prime Vendor shall not prohibit or otherwise limit the BEP/VSB certified vendor(s) from providing subcontractor quotes to other potential bidders/vendors. Each LOI must include the negotiated contract percentage, a detailed scope of work to be performed by each identified BEP/VSB certified vendor and the amount of the subcontract, if known. All LOI's shall be subject to Agency approval. Any changes involving or affecting the identified BEP/VSB certified vendor may not be permitted without written approval of the procuring Agency.

Project Name: GAAP Reporting Services Project/Solicitation Number: 22039858

Name of Prime Vendor: Crowe Horwath LLP BEP/VSB Compliance Contact: Chris Mower

Address: 3601 Wabash Avenue, Suite 201

City: Springfield State: Illinois Zip Code: 62711

Telephone: 217.862.2702 Fax: 217.862.2701 Email: chris.mower@crowehorwath.com

Name of Certified BEP or VSB Vendor: Ringold Financial Management Services, Inc.

Address: 850 South Wabash, Suite 320 BEP/VSB Compliance Contact: Michelle Ringold

City: Chicago State: Illinois Zip Code: 60605

Telephone: (312) 566-9705 Fax: (312) 566-9736 Email: mringold@ringoldfinancial.com

Type of agreement: Services Supplies Both Services/Supplies

Anticipated start date of the Certified BEP/VSB Vendor: July 1 through October 31st for each year

Proposed 10 % of Contract to be performed by the BEP/VSB Vendor.

Proposed Subcontract Amount, if known \$ TBD

NOTE: The Prime Vendor must indicate the percentage of the estimated contract award that will be subcontracted to the certified BEP/VSB Vendor.

Detailed description of work to be performed or goods/equipment to be provided by the BEP/VSB Vendor:

Preparation and/or review of assigned GAAP packages. All procedures performed by the subcontractor will be under the direct supervision of the Crowe engagement team.

The Vendor and the certified vendor above hereby agree that upon the execution of a contract for the above-named project between the Vendor and the State of Illinois, the Certified BEP VSB Vendor will perform the scope of work for the amount/percentage as indicated above.

Vendor (Company Name and D/B/A):
Crowe Horwath LLP

Chris Mower
Signature

Print Name: Chris Mower

Title: Partner

Date: 05/25/2017

Certified BEP/VSB Vendor (Company Name and D/B/A):
Ringold Financial Management Services, Inc.

Michelle Ringold
Signature

Print Name: Michelle Ringold

Title: President and CEO

Date: 05/25/2017