

Professional Services Agreement No. 1069

By and between

**Town of Bloomfield CT**

And

Blum, Shapiro & Company, P.C.

For

**Auditing Services**

This Agreement is by and between the **Town of Bloomfield, CT** having its principal address at 800 Bloomfield Avenue Bloomfield, Connecticut 06002 acting herein by Philip K. Schenck, Jr., Town Manager, duly authorized hereinafter referred to as "TOWN", and Blum Shapiro & Company, P.C., a Professional Corporation with its principal place of business at 29 South Main Street, West Hartford, CT, acting herein by Vanessa E. Rossitto, CPA, duly authorized, hereinafter referred to as the "AUDITOR".

**WITNESSTH THAT:**

**WHEREAS**, TOWN published a Request for Proposal dated January 29, 2016, for the purpose of obtaining required independent annual auditing services; and

**WHEREAS**, These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, "the provisions of the federal Single Audit Act Amendments of 1996; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Audits of State and Local Governments as well as requirements of the Office of Policy and Management of the State of Connecticut concerning municipal audits, requirements of the Board of Education of the State of Connecticut, and such other requirements as shall be promulgated by various oversight agencies; and

**WHEREAS**, AUDITOR has been selected through a competitive process and appointed by the Bloomfield Town Council on April 25, 2016 to provide such services; and

**WHEREAS**, TOWN and AUDITOR desire to enter into an Agreement in accordance with the Request for Proposals which incorporates the scope, objectives, activities and budget and included herein (attached as Appendix A)

**NOW THEREFORE**, TOWN and AUDITOR do mutually covenant and agree as follows:

1. **TERM OF AGREEMENT**

The contract shall become effective immediately upon its execution, with implementation of all specified services to take place for the audit of Fiscal Year 2015-2016 ("FY 16 Audit"). It is anticipated that interim fieldwork for the FY16 audit will begin prior to July 1, 2016. The contract entered into between the Town and the AUDITOR shall extend for a term through and including the audit for the fiscal year ending June 30, 2018, for a total contract term of three (3) fiscal years, subject to annual appointment by the Bloomfield Town Council. It shall remain in force until terminated by either party in accordance with the terms and provisions of this Agreement as specified in Section 13 Termination of Agreement.

At the election of the Town, two (2) one year renewal options beyond the June 30, 2016 audit may be exercised.

2. **SCOPE OF SERVICES**

The AUDITOR agrees to provide prompt professional services to the TOWN. Specifically, the AUDITOR is required to provide financial statement audit, federal single audit, state single audit, ED001 agreed-upon procedures and management letter services as set forth in Request For Proposals (Appendix A) and with the AUDITOR'S Proposal dated February 19, 2016 (Appendix B) and are incorporated herein as if fully set forth. The IT Control Review and Assessment will be included in the scope of basic services at no additional cost to the TOWN.

The AUDITOR will:

- 2.1 Commence work on the assigned project as approved, promptly and subsequent to necessary approvals.
- 2.2 Provide reports for the project in the format and frequency as requested by the TOWN staff.

The TOWN will:

- 2.3 Provide the AUDITOR with accurate and complete data. The data will be provided in electronic format wherever possible.
- 2.4 Replicate and bind all written materials provided by the AUDITOR.

3. **COMPENSATION/FEE SCHEDULE**

3.1 Fee

The fee for basic services shall be:

FY 2016 audit:	\$51,000.00
FY 2017 Audit:	\$52,200.00
FY 2018 Audit:	\$53,400.00

3.2 Fee Schedule and Compensation

The Auditor shall provide the Department of Finance with periodic progress billings during the course of the engagement based on hours of work completed for General Government and Board of Education audit work. Such billings shall be accompanied by related materials and deliverables due to the TOWN.

The AUDITOR agrees to meet with representatives of TOWN to discuss subject reports and billings as TOWN deems necessary. Approval and acceptance of said reports and billings by TOWN shall constitute an acceptance of the product by TOWN and shall be prerequisite to payment for the rendered services. Payment will be made within thirty (30) days of acceptance and approval

Payments to the AUDITOR will be made conditioned upon the completion of all assignments in accordance with the terms and conditions of this Agreement. In the event, that TOWN reasonably determines the AUDITOR to be in nonconformance with the terms of this Agreement or if in TOWN judgment the AUDITOR's provision of services is not satisfactory, TOWN may take corrective action, including but not limited to the following:

- (a) Delay of payment, and or

- (b) Adjustment of payment, and/or
- (c) Suspension or termination of this Agreement

4. **MANAGEMENT**

This contract will be managed for TOWN by its Finance Director.

The AUDITOR'S contact person shall be Vanessa E. Rossitto, CPA, its Partner, who will be responsible for directing and coordinating the activities of the firm's personnel in all aspects of project(s) assigned. In her absence, Gerald P. Paradis, CPA, shall be the AUDITOR'S contact person.

5. **PERFORMANCE STANDARDS**

The AUDITOR agrees that all of the services required of the AUDITOR hereunder shall be performed in accordance with the terms and conditions of this Agreement with the highest degree of professional skill and competence.

6. **EVALUATION**

The AUDITOR hereby agrees to participate fully with the guidance and assistance of TOWN in the implementation and maintenance of an evaluation system whereby the services provided under this Agreement may be continuously monitored. TOWN agrees to share such data and reports derived therefrom.

The AUDITOR shall have an opportunity to review and comment on all drafts and final reports incorporating recommendations by TOWN regarding future directions or modifications of the Scope of Work. The AUDITOR agrees to comply with the reasonable evaluation and information requirements issued by the TOWN.

The AUDITOR shall comply with any and all reasonable recommendations of TOWN in regard to improvements and changes in services being performed which may result from evaluation, as they pertain to the provision of services as specified in the Scope of Work of this Agreement. The AUDITOR shall correct any deficiencies identified by TOWN in a reasonable period of time to be determined by the TOWN.

Failure to comply with the recommendations of TOWN in the provision of services herein described may be considered a violation of this Agreement and sufficient reason for termination of same.

7. **ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION**

The AUDITOR agrees to abide Executive Orders Number 3 and 17 of the State of Connecticut; and Presidential Executive Orders Number 11246, 11375 and 11063.

In carrying out this contract, the AUDITOR shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, mental disability, physical handicap, or sexual preference.

The AUDITOR shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment without regard to their race, color, religion, age, sex, national origin, mental disability, physical handicap, or sexual preference. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training; including apprenticeship.

The AUDITOR shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government, setting forth the provisions of the non-discrimination clause. The AUDITOR shall state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, age, sex, national origin, mental disability, physical handicap, or sexual preference. The AUDITOR shall incorporate, or cause to be incorporated, this provision in any and all subcontracts entered into pursuant to this Agreement.

8. **RELATIONSHIP BETWEEN PARTIES**

The AUDITOR, and any approved subcontractors, are independent contractors and not an officer, employee or agent of the TOWN. Therefore, it is mutually agreed that this Agreement is a contract for services and not a contract of employment, and that, as such, the AUDITOR and any and all subcontractors shall not be entitled to any employment benefits of TOWN such as, but not limited to: vacation, sick leave, insurance, worker's compensation, and pension and retirement benefits.

All personnel matters affecting project team members will be the responsibility of the AUDITOR, and TOWN shall be notified in writing in advance of any changes to said team.

9. **INSURANCE**

The AUDITOR shall be required to furnish a Certificate of Insurance evidencing the following insurance coverage prior to the execution of this Agreement. Failure to maintain insurance coverage as required and to name the Town of Bloomfield CT as the Additional Insured will be grounds for termination of the contract. In addition:

- (a) *The insurance requirements shall apply to all subcontractors and/or Contractor s.*
- (b) *All policy forms shall be on the occurrence form. Exceptions must be authorized in writing by TOWN, unless the coverage is for Professional Liability where the form is to be claims made.*
- (c) *Acceptable evidence of coverage will be on the ACORD form or a form with the same format.*
- (d) *All renewal certificates shall be furnished at least 10 days prior to policy expiration.*
- (e) *Each certificate shall contain a 30 day notice of cancellation.*
- (f) *Insurance shall be issued by an insurance company licensed to conduct business in the State of Connecticut which has at least an "A-"VIII policy holders rating according to Best Publications latest edition Key Rating Guide.*

General Liability	Each Occurrence	\$1,000,000
	Products/Completed Operations	\$2,000,000
	Aggregate	
	General Aggregate	\$2,000,000
Auto Liability	Combined Single Limit	\$1,000,000
Worker's Compensation	WC Statutory Limits	
Employer's Liability	EL each accident	\$100,000
	EL disease policy	\$500,000
	Disease accident limit	\$100,000
Umbrella	Per Occurrence, following form	\$1,000,000
Professional Liability	Per claim/aggregate	\$1,000,000

The Town of Bloomfield and Bloomfield Board of Education are included as Additional Insureds, ATIMA under the Commercial General Liability, Umbrella, Auto and Employer's Liability

Insurance Policies. THE UNDERLINED WORDING MUST BE SHOWN IN THE SPACE PROVIDED FOR "COMMENTS" ON THE ACORD INSURANCE CERTIFICATE. (Additional Insured requirement is waived for Professional Liability coverages.) Coverage is to be provided on a primary, noncontributory basis. Waiver of subrogation to be provided.

10. **HOLD HARMLESS AND INDEMNIFICATION**

The AUDITOR, its agents, successors and assigns shall indemnify and hold harmless the Town of Bloomfield and the Bloomfield Board of Education, including but not limited to, its elected officials, its officers and agents, ("the Indemnitees") from any and all claims made against the Indemnitees, including but not limited to, damages, awards, costs and reasonable attorneys fees, to the extent any such claim directly and proximately results from the negligent acts, errors, or omissions in performance of services by the AUDITOR during the AUDITOR's performance of this Agreement or any other Agreements of the AUDITOR entered into by reason thereof. Indemnitee agrees to give the AUDITOR prompt notice of any such claim and absent a conflict of interest, an opportunity to control the defense thereof.

11. **CONFLICT OF INTEREST**

TOWN and the AUDITOR hereby covenant and agree that no member of the governing body of TOWN, or its designees or agents, and no other public official, either paid or unpaid, who exercises any functions or responsibilities with respect to this Agreement during the individual's tenure or for one (1) year thereafter, shall have any personal or financial interest, direct or indirect, in any contract or subcontract, or the proceeds thereof for work and/or services to be performed in connection with the services under this Agreement. The AUDITOR shall cause to be incorporated, in all contracts and subcontracts a provision prohibiting such interest pursuant to the provisions of this paragraph.

12. **EVENTS OF DEFAULT AND REMEDIES**

12.1 **Events of Default**

Any of the following occurrences of acts shall constitute an Event of Default under this Agreement:

12.1.1 If default shall be made by the AUDITOR, its successors or assigns, in the performance or observance of any of the covenants, conditions or agreements on the part of the AUDITOR set forth in this Agreement; or

12.1.2 If any determination shall have been made by competent authority such as, but not limited to, any federal, state or local government official, or a certified public accountant, that the AUDITOR's management or any accounting for its funding, form whatever source, is improper, inadequate or illegal; or

12.1.3 If a decree or order by a court having jurisdiction in the matter shall have been entered adjudging the AUDITOR bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the AUDITOR under the federal bankruptcy laws, or any other similar applicable federal or state law; or

12.1.4 If any competent authority shall have determined that the AUDITOR is in default of any federal, state or local tax obligation.

12.2 **Election of Remedies**

If any Event of Default hereunder shall have occurred and be continuing, TOWN may elect to pursue any one or more of the following remedies, in any combination or sequence:

- 12.2.1 Take such action as it deems necessary, including, without limitation, the assessment of liquidated damages as described herein; and/or
- 12.2.2 Suspend the provision of services; and/or
- 12.2.3 Require the AUDITOR to correct or cure such default to the satisfaction of the TOWN; and/or
- 12.2.4 Terminate this Agreement for cause in accordance with Section 13 hereof.

The selection of any remedy shall not prevent or stop TOWN from pursuing any other remedy and shall not constitute a waiver by TOWN of any other right or remedy.

13. **TERMINATION OF AGREEMENT**

13.1 **Termination**

"Termination", for purposes of this Agreement, shall mean the cessation, upon the effective date of termination, of the following obligations only: the AUDITOR's obligation to perform the services described in the Scope of Services of this Agreement, and TOWN obligation, as described in Section 3 of this Agreement, to compensate the AUDITOR for such services performed.

13.2 **Termination for Cause**

Upon the occurrence of any Event of Default, as set forth in Section 12 hereof, TOWN may terminate this Agreement by giving five (5) days written notice thereof to the AUDITOR.

13.3 **Termination at Will**

Either party may terminate this Agreement at any time by giving thirty (30) days written notice thereof.

13.4 **Reimbursement upon Termination**

In the event this Agreement is terminated by TOWN as herein provided, the AUDITOR shall receive compensation for services performed prior to the effective date of termination, which conform to the Scope of Services and the Fee Schedule. However, if the AUDITOR has caused damages to the TOWN, such payment may be withheld until TOWN determines whether or by how much such payment should be reduced.

14. **AMENDMENTS**

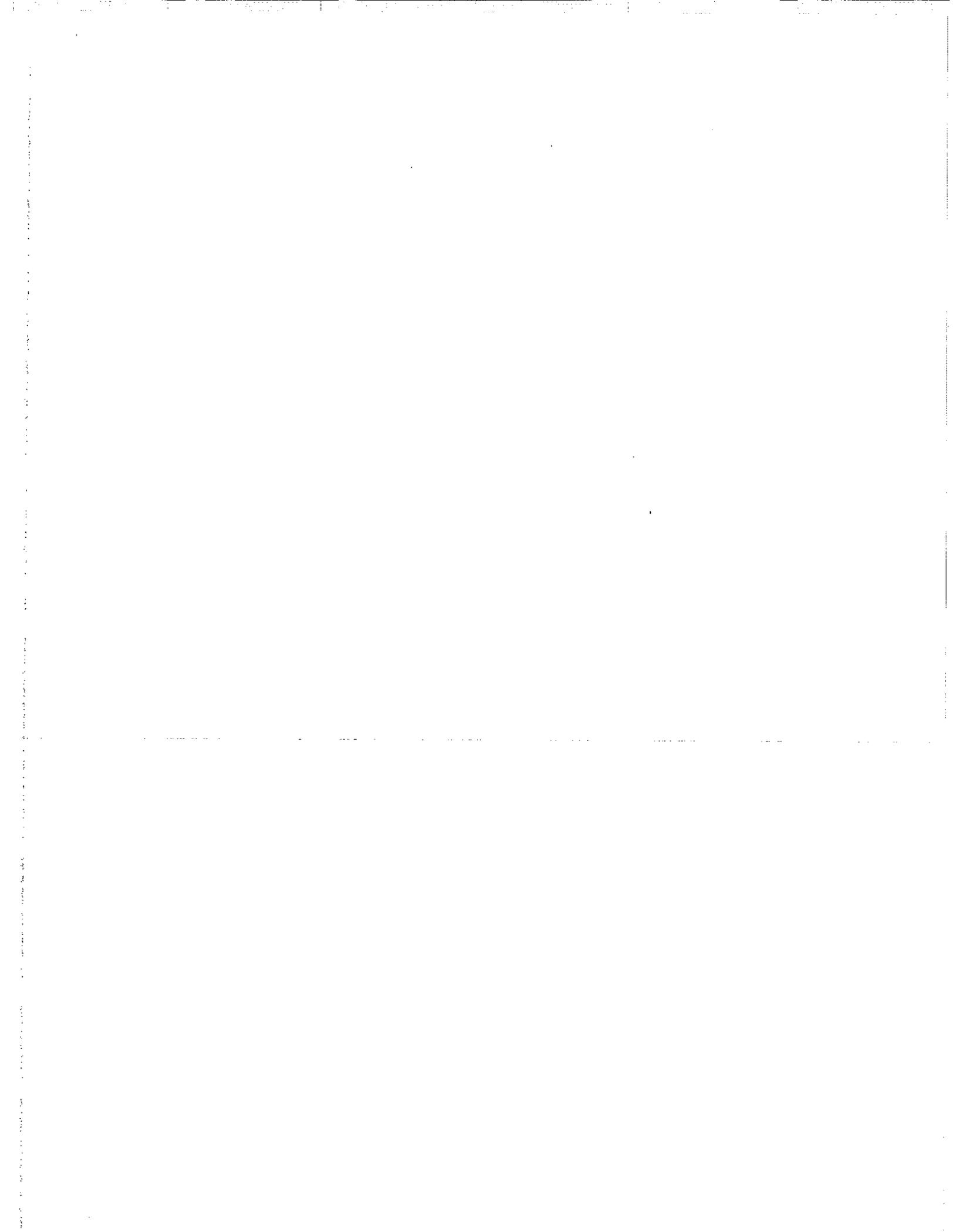
This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives. The AUDITOR's duly authorized representatives shall be Vanessa E. Rossitto, and the TOWN's duly authorized representative shall be **Philip K. Schenck, Jr., Town Manager**, or his successor.

TOWN and the AUDITOR may require changes in the Scope of Services to be performed hereunder. Such changes which are mutually agreed upon by and between TOWN and the AUDITOR shall be incorporated in written amendments to this Agreement.

Changes in any regulations or requirements pertaining to the provision of AUDITOR services adopted by the State of Connecticut shall be effective upon adoption by the State.

15. **SUBCONTRACTORS**

No portions of this work may be subcontracted, unless:



TOWN shall give prior approval to such subcontract in writing, such approval to be granted or withheld in the Town's sole discretion; and

Any such subcontract shall be approved as to form and legality by the TOWN's legal counsel; and

All of the terms, covenants, conditions and provisions of this Agreement shall have been incorporated in such subcontract and the subcontractor shall have agreed in writing to assume, perform and be bound by this Agreement and all the terms, covenants, conditions and provisions hereof, and shall have made the representation as to its; and

TOWN shall not be liable for payment of any wages, materials, or other expenses of any subcontractors.

16. **DISCLAIMER OF AGENCY OR THIRD PARTY BENEFICIARY RIGHTS**

In no event shall anything in this Agreement be deemed to confer upon any person or entity agency status or third party beneficiary rights against the TOWN.

17. **REPORTS, INFORMATION AND MAINTENANCE OF RECORDS**

The AUDITOR shall furnish TOWN with such information and reports concerning the progress and management of this Agreement as may be required from time to time. The form of said reports shall be determined by TOWN and consistent with TOWN requirements.

The AUDITOR agrees to retain the records with respect to all matters covered under any one fiscal year audit for a 3 year period after the audit of each fiscal year is completed.

18. **AUDITS**

At any time during normal business hours, and as often as may be deemed necessary, the AUDITOR shall make available to the TOWN, for examination, all records with respect to all matters covered by this Agreement.

19. **COPYRIGHT**

No reports or other documents produced in whole or in part under this Agreement shall be subject to an application for copyright by or on behalf of the AUDITOR.

20. **ASSIGNABILITY**

The AUDITOR shall not assign or transfer any interest in this Agreement without prior written consent of the TOWN, which may be granted or withheld in the TOWN'S sole discretion.

21. **FINDINGS CONFIDENTIAL**

All of the information, reports, and documents prepared or assembled by the AUDITOR, under this Agreement, are the property of the TOWN. The AUDITOR agrees that said documents shall not be made available to any individual or organization, other than authorized Federal and State officials, without the prior written approval of the TOWN.

22. **PROTECTION OF CONFIDENTIAL INFORMATION**

During the course of this Agreement, the AUDITOR will have access to confidential information.

Confidential information shall mean any name or number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name,

motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, bank account number, credit card number, debit card number, unique biometric data or other unique physical representation. Without limiting the foregoing, confidential information shall also include any information that the Town classifies as "confidential" or "restricted". Confidential Information shall not include information that may be lawfully obtained from publically available sources or from federal, state, or local government records which are lawfully made available to the general public.

The AUDITOR shall hold in strictest confidence, and not use any confidential information except for the benefit of the Town to the extent necessary to perform any obligations under this Agreement. The AUDITOR may not disclose to any person, firm, corporation or other entity without prior written authorization from the Town, any confidential information that is obtained, accessed or created during the term of this Agreement. The AUDITOR, at their own expense, shall have a duty to and shall protect from a Confidential Information breach any and all Confidential Information which they come to possess or control. Wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards

It is the AUDITOR's responsibility to safeguard Town confidential information while it is in the AUDITOR's possession. If there is a security breach that affects Town confidential information while that information is in the possession of the AUDITOR, the AUDITOR will pay for any and all costs incurred with that security breach. It is the AUDITOR's responsibility to immediately notify the Town as soon as a loss or breach of Town confidential information is suspected.

23. **SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

24. **CUMULATIVE REMEDIES**

All rights exercisable by and remedies of TOWN hereunder shall be cumulative and the exercise or beginning of the exercise by TOWN of any of its rights or remedies hereunder shall not preclude TOWN from exercising any other right or remedy granted hereunder or permitted by law.

25. **NOTICES**

All notices, approvals, demands, requests, or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this project, shall be deemed properly given if hand delivered or sent by United States certified mail, postage prepaid, or by national overnight express delivery at the following address:

**As to the TOWN:**

**Philip K. Schenck, Jr.  
Town Manager  
Town of Bloomfield  
800 Bloomfield Ave.  
Bloomfield, CT 06002**

**As to the AUDITOR:**

**Vanessa E. Rossitto, CPA  
Blum, Shapiro & Company, P.C.  
29 South Main Street  
West Hartford, CT 06127-2000**

Neither party hereto shall be relieved of such obligation by reason of the failure of the other to comply with or otherwise enforce any of the provisions of this Agreement.

26. **SUCCESSORS**

This Agreement, to the extent permitted herein, shall inure to the benefit of and be binding upon the parties hereto and any and all successors.

27. **NON-WAIVER**

Any failure by TOWN or AUDITOR to insist upon the strict performance by the other of any of the terms and provisions hereof shall not be a waiver, and each party hereto, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other, of any and all of the terms and provisions of the Agreement and neither party hereto shall be relieved of such obligation by reason of the failure of the other to comply with or otherwise enforce any of the provisions of this Agreement.

28. **CONDITIONS**

The AUDITOR agrees to conform to all applicable laws and ordinances and statutes of the Federal Government, State of Connecticut and Town, including but not limited to the following:

- 28.1 Civil Rights Act of 1964, as amended
- 28.2 Civil Rights Act of 1991, as amended
- 28.3 Executive Orders Numbers 3 & 17 of the State of Connecticut
- 28.4 Davis Bacon Act
- 28.5 Copeland "Anti-Kickback" Act
- 28.6 Hatch Act (Title 5 USC Chapter 15)
- 28.7 Section 504 of the Rehabilitation Act of 1973
- 28.8 Architectural Barriers Act of 1969
- 28.9 Fair Labor Standards

29. **AMERICANS WITH DISABILITIES ACT**

The AUDITOR shall not discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment. No qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of services, programs, or activities of a the AUDITOR, or be subjected to discrimination by the AUDITOR. No individual shall be discriminated against on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages or accommodations provided by the AUDITOR.

Any television public service announcement that is produced or funded in whole or in part under this Contract shall include closed captioning of the verbal content of such announcement. The AUDITOR shall not discriminate against any individual because such individual has opposed any act or practice made unlawful by this Act or because such individual made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this Act.

The AUDITOR shall not permit coercion, intimidation, threatening, or interfere with any individual in the exercise or enjoyment of, or on account of his or her having exercised or enjoyed, or on account of his or her having aided or encouraged any other individual in the exercise or enjoyment of, any right granted or protected by this Act.

30. **TAXPAYER IDENTIFICATION NUMBER**

The Internal Revenue Service Form W-9, *Request for Taxpayer Identification Number and Certification* as submitted by the AUDITOR to the TOWN, is hereby made a part of this Contract and is incorporated herein by reference. It is understood and agreed that TOWN shall use the number as listed on the IRS Form W-9 to report any and all compensation paid to the AUDITOR under this agreement. It is further understood and agreed that TOWN shall not be liable for inaccurate information contained on said IRS Form W-9.

31. **GENDER/NUMBER/TITLE**

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular shall be held and construed to include the plural, unless the Agreement requires otherwise. In the event of any discrepancy or conflict between the name and title of any person referred to in this Agreement, the title shall prevail.

32. **GOVERNING LAW, VENUE AND COSTS**

This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut and the by-laws, policies and procedures of the Town. The parties agree that the venue for any legal proceeding with respect to this Agreement shall be Connecticut Superior Court, Judicial District of Hartford at Hartford. In the event of legal action to enforce its rights under this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

33. **ARBITRATION**

Any controversy, dispute or claim arising out of or related to this Agreement or breach of this Agreement shall be settled solely by confidential binding arbitration by a single arbitrator in accordance with the commercial arbitration rules of the American Arbitration Association (AAA) in effect at the time the arbitration commences. The award of the arbitrator shall be final and binding. The prevailing party shall be entitled to recover, as part of its judgment, reasonable legal fees and costs from the other party. The arbitration shall be in Hartford County, Connecticut.

34. **ORDER OF CONSTRUCTION**

This Agreement includes several Appendices including the Request for Proposal (Appendix A) and Auditor's Proposal dated February 19, 2016 (Appendix B), which are made a part hereof. In the event of a conflict or variance between or among this Agreement, and the Appendices, the provisions of this Agreement shall control, followed by Appendix A as the second priority, and Appendix B as the third priority.

35. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties hereto and supersedes any and all prior understandings, negotiations, and agreements whether written or oral, between them respecting the written subject matter.

IN WITNESS THEREOF, TOWN and AUDITOR, have executed this Agreement on this 14<sup>th</sup> day of July, 2016.

WITNESS

Er. R. Howe

TOWN OF BLOOMFIELD

By Philip K. Schenck, Jr.  
Philip K. Schenck, Jr.  
Town Manager

WITNESS

Nancy Harris

BLUM, SHAPIRO & COMPANY, P.C.

By Vanessa E. Rossitto  
Vanessa E. Rossitto, CPA  
Partner, Duly Authorized