

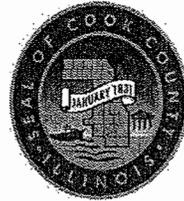
**PROFESSIONAL SERVICES AGREEMENT**

**for**

**FINANCIAL SERVICES**

**CONTRACT NO.: 12-30-243**

**BETWEEN**



**COOK COUNTY GOVERNMENT  
Office of the Chief Procurement Officer**

**AND**

**MAXIMUS CONSULTING SERVICES, INC.  
(Based on City of Chicago Contract No. 14487)**

**PROFESSIONAL SERVICES AGREEMENT**

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**AGREEMENT**

This Agreement is made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, hereinafter referred to as "County" and Maximus Consulting Services, Inc., doing business as a corporation of the State of Illinois hereinafter referred to as "Consultant," pursuant to authorization by the Chief Procurement Officer on the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**BACKGROUND**

**Whereas**, the County, pursuant to Section 34-140 (the Reference Contract Ordinance") of the Cook County Procurement Code, states: "If a governmental agency has awarded a contract through a competitive method for the same or similar supplies, equipment, goods or services as that sought by the County, the Procurement may be made from that vendor at a price or rate at least as favorable as that obtained by that government agency without utilizing a competitive procurement method set forth in this Procurement Code;" and

**Whereas**, the City of Chicago solicited a formal Request for Proposal process for Financial Services: Management Consulting, Accounting and Cost Benefit Analysis and as the Consultant was identified as the qualified and lowest cost provider for the services; and

**Whereas**, the City of Chicago entered into a contract on January 1, 2007 for the provision of services by the Consultant for the City relative to Financial Services, City Contract #14487 ("the City Contract"); and

**Whereas**, the County through the City-County collaboration initiative, wishes to leverage the procurement efforts of the City; and

**Whereas**, this contract made and entered into by and between the County of Cook, a public body corporate of the State of Illinois, herein after the "County" and Maximus Consulting Services, Inc. herein after the "Consultant".

**Whereas**, the County through the Department of Budget and Management Services, desires certain similar services of the Consultant; and

**Whereas**, the Consultant agrees to provide to the Financial Services, incorporated as Exhibit 1, County Statement of Work; and

**Whereas**, the Consultant warrants that it is ready, willing and able to perform these supplies set forth in Exhibit 1, County Statement of Work and Exhibit 2, Cook County Price Proposal, all on pricing and payment terms equivalent to or more favorable to the County than those contained in the City Contract as set forth in Exhibit 2 Cook County Price Proposal and incorporated herein by reference; and

**Whereas**, this Contract shall be effective after proper execution of the contract documents by the County through December 31, 2013; and

**Whereas**, the City of Chicago Contract includes the option to renew the contract for three (3) additional one (1) year periods beyond the current December 31, 2013 end date and the County is hereby authorized to exercise any such extension option; and

**Whereas**, Payment shall be as follows:

In no case shall such charges exceed the amount of \$56,870.00. Invoices in triplicate on County Invoice Form 29A shall be submitted by the Consultant to the Using Department when requesting payment. The County shall have the right to examine the books of the Consultant for the purpose of auditing the same with reference to all charges made to the County.

In the event the Consultant receives payment under the Contract, reimbursement for which is later disallowed by the County, the Consultant shall promptly refund the disallowed amount to the County on request, or at the County's option, the County may credit the amount disallowed from the next payment due or to become due to the Consultant under any contract with the County; and

**Whereas**, the County and the Consultant agree to the Terms and Conditions as stated in the City of Chicago Contract, hereto incorporated by reference as Exhibit 3 City of Chicago Contract, all as may be applicable to the County; and

**Whereas**, the County General Conditions are incorporated and attached by reference as Exhibit 4, and this Contract incorporates and is subject to the provisions attached hereto as Exhibit 4 General Conditions, and is incorporated herein by this reference; Notwithstanding such incorporation, none of the terms set forth in Exhibit 3 which conflict with the express terms of this Contract or its General Conditions shall be deemed or construed to supersede the terms of this Contract or its General Conditions; and

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, the sufficiency of which is acknowledged by each of the Parties, the Consultant and the County agree and the information set forth is incorporated by reference herein.

## **INCORPORATION OF BACKGROUND INFORMATION**

The Background Information set forth above is incorporated and made a part of this Agreement by reference.

### **Incorporation of Exhibits**

The following attached Exhibits are made a part of this Agreement:

- Exhibit 1 County Statement of Work
- Exhibit 2 County Price Proposal
- Exhibit 3 City of Chicago Contract (Contract No.14487)
- Exhibit 4 General Conditions
- Exhibit 5 Evidence of Insurance
- Exhibit 6 Letter Addressing County's Cost Allocation Plan/Indirect Cost Rate Proposals for FY2011

EXHIBIT 1

**County Statement of Work**

## 2. STATEMENT OF WORK

MAXIMUS has provided consulting services to state and local governments since 1975. Many of these services have focused on analysis of costs eligible for reimbursement from other funds, departments, levels of government or overhead rates and user fees.

MAXIMUS Consulting Services, Inc., a wholly owned subsidiary of MAXIMUS, Inc., proposes to develop a cost allocation plan for Cook County, and to explain to you how to use it. The best way to accomplish this is to:

- **Provide solid, defensible calculations.** The numbers have to be right, and the documentation has to be easy for non-technical staff to follow.
- **Involve client staff.** Active client involvement means the analysis is sound, the plan is more likely to be implemented and the plan is more useful to managers.
- **Follow applicable rules and regulations.** The plan must be fully compliant and able to withstand State and Federal scrutiny.
- **Coach on implementation.** We have seen good studies wait for months to be enacted because clients need coaching on implementation. We can provide training to the staff that will be responsible for implementing and using the plan.

We identified two major phases of work: Phase I-Preparation of the 2011 Actual OMB A-87 Cost Allocation Plan and Phase II-Preparation of Departmental Indirect Cost Rate Proposals. Costs eligible for reimbursement must be identified and documented, as required by the US Code of Federal Regulations (CFR), to protect the revenue sources that the County expects and needs to balance its current budget.

We have provided cost allocation assistance to Cook County, periodically. Over the past 25 years. Based on this history, we have refined and tested the steps and hours per step required to do the work. There are no superfluous steps, nor any tasks with hours greater than what have been required to complete the work of preparing a cost allocation plan and approximately 10 indirect cost rate proposals. We have a proprietary cost allocation software application, in which we have invested more than \$3 million, which organizes and expedites the work.

### 2.1 COST ALLOCATION PLAN OVERVIEW AND GENERAL METHODOLOGY

A cost allocation plan (CAP) distributes the cost of central service (overhead) departments. Central services are those administrative units that mainly provide services to other governmental departments (operating departments) and not to the general public. Examples of central services include accounting, budget, human resources, general services, procurement, audit, facilities management, legal, and information systems. Operating departments include units that provide direct services of the organization, such as: public health, family and support services, environmental services, community development, transportation, cultural affairs, disability services, etc.

The term "cost allocation plan" has its origin in a Federal regulation, known as OMB Circular A-87 (now located in Title 2, CFR, Part 225.) Several decades ago, the Federal government agreed to reimburse state and local agencies for certain overhead costs if they documented those costs using this set of rules. In addition to a cost allocation plan, indirect cost rates are normally required for grants that may reimburse indirect costs. The indirect cost rates are based on the results of the annual cost allocation plan.

A cost allocation plan may be prepared for a number of reasons. Principally, these include:

- Identifying indirect costs associated with federal or state grant programs that permit indirect cost reimbursement.
- Charging enterprise or special revenue funds for services provided by the corporate fund.
- Determining the full costs of departments providing user fee related services to the public.
- Obtaining management information related to how the agency carries out its programs.

As the above indicates, most agencies prepare a CAP to recover corporate or general fund dollars. This has become increasingly important in view of the limitations on taxes and the general need for additional local revenues. However, in the process of preparing a CAP, considerable valuable management information is also developed. In an effort to manage programs better, more local government agencies are utilizing this information.

Cost allocation plans must be prepared in accordance with the policies and procedures contained in the OMB Circular A-87. This federal publication provides guidance and cost principles for state and local governments, especially for "reimbursement type" federal grants. A consistent approach must be followed in the treatment of direct or indirect costs; in no case should costs charged as direct costs to programs be included as indirect costs. The Circular discusses the methods for determining indirect cost and the methods for cost allocation. Actual expenditures information must be obtained from the audited financial data. Statistics used to allocate costs are also taken from budget or actual data for a specific fiscal year. Indirect cost claims must be supported by a properly prepared cost allocation plan and an indirect cost rate proposal. The cost allocation plan described above provides the basis for the indirect cost calculations that are also part of this work.

The methodology used by MAXIMUS Consulting for preparing cost allocation plans and indirect cost rate proposals is consistent with the Federal requirements and guidelines. Our staff thoroughly and completely understands how to develop plans that are compliant with these requirements as evidenced by the most recent audit being completed, of our work with the City of Chicago and with Metra-Metropolitan Rail, with no issues or comments from the auditor.

Before discussing the tasks of work to be done for Cook County, the question should be asked: Are all cost allocation plans the same? In a word, "no."

Despite what you may hear from other vendors, our cost structure is not appreciably different than theirs and so the hourly rates we charge are fairly comparable to what others would charge. If someone offers you a significantly lower cost, then they are almost assuredly offering you a reduced scope of services and/or assuming that you will do a considerable amount of the required work. With cost allocation services, "you get what you pay for."

So if you are offered a lower price from a competitor, you should first determine where the vendor is planning to reduce services to you. When you look at it, what you are likely to find is that the lower cost vendor is planning to provide you with fewer cost allocation methods and this could significantly increase your audit risk. So you should discuss with potential vendors exactly what it is they are offering and how that will impact you. Second, how the reports are structured and the amount of time it takes to gather the data and input it into a cost allocation plan and rate model may also vary among competent vendors, depending on how familiar and knowledgeable they are of your organization structure and financial reporting systems. They may require and assume considerable time of County staff to assist them.

Generally, what will vary from vendor to vendor is the following:

- **Audit risk** – The rules provide some latitude and a consultant should explain the choices and risks to you. There is not just one right way to do this work and we will make sure that we sit down with you and explain your options and let you decide how aggressive a position you want to take.
- **Client time involvement** – A vendor's familiarity (or lack thereof) of the County's Finance Department, the overall organization and personnel of the County, the cost allocation models, and the data availability and financial systems will all impact how much involvement and participation will be required of County personnel by the vendor.
- **Allocation methods** – One of the biggest variables in the cost of a cost allocation plan project is the detail used to allocate costs. For most clients, several dozen methods of allocation make sense. Payroll costs may be measured by paychecks or number of employees per department,

building maintenance costs by square footage occupied by department and so forth. Each method added demands more time to prepare the plan.

Reducing the number of allocation methods may or may not significantly change the revenue you obtain, but it changes the level of detail that explains it. We could, if you instructed, run a cost allocation plan with only a handful of allocation methods. It would reduce the fee you would pay without possibly materially altering your cost recovery. However, if we do that and if that report is audited, it will be very difficult to explain why certain allocation bases were used and why your methodology and/or the amount of reimbursement you seek changed from the prior year. Auditors frown on this, so we do not prefer to take this approach. But make no mistake – a vendor seeking to obtain your business with a very low price is probably planning to do just that.

Unless you are aware that this is how another vendor may be able to offer a low quote, you may be under the mistaken impression that all cost allocation plans are the same. They are not – buyer beware.

## **2.2 COST ALLOCATION SERVICES FOR COOK COUNTY**

### **2.2.1 Phase I — Preparation of 2011 Actual Cost Allocation Plan**

We will review and discuss any prior cost allocation efforts and prepare a new cost allocation plan based on Fiscal Year 2011 audited financial data, using actual expenditures. The results of the cost allocation plan are to be used as the source of indirect costs for computation of the indirect cost rates. We will complete six tasks during this phase.

#### ***Task 1-1: Project Initiation***

MAXIMUS Consulting prides itself in maintaining strong client communication. The first step towards accomplishing that goal is to conduct a project kick-off meeting with County staff wherein the following issues are coordinated and understood:

- Refine the project's scope, purpose, uses, and goals.
- Establish working and reporting relationships.
- Confirm dates and schedules.

This initial project step will ensure that MAXIMUS Consulting and County staff work together to refine the scope, purposes, uses, and goals of the cost allocation study. This coordination will facilitate our technical development of a cost plan structure that represents the County organization, as well as the County's uses, of the cost allocation plan. We will also confirm with County staff the County departments requiring indirect cost rate proposals.

#### ***Task 1-2: Develop Structure of Cost Allocation Plan***

We will review the County's current cost allocation methodology, and discuss organizational changes that could impact the development of the new plan. We will confirm the central service or allocating Countywide departments and confirm the grantee or receiver cost pools. MAXIMUS Consulting will review functions performed by County central service departments, for whom they are performed, and an equitable basis for the allocation of costs. We will review any offsetting revenues that must be either: (1) deducted from the total allocable costs, (2) directly credited to certain departments or programs, or (3) excluded from the cost allocation calculations entirely. With the assistance of County staff, MAXIMUS Consulting will also review the support services and operating units. We may identify new support services that are allocable. We will need to ascertain that new support services are allowable under the new provisions of OMB A-87 that will be used to charge federal and state funded grant programs.

#### ***Task 1-3: Input Actual Expenditure Data Into 2011 Cost Plan***

MAXIMUS Consulting will work with the County staff to identify the financial information that will be necessary for the development of the cost plan. We will request and require that this data be provided to

us in electronic format, preferably in Excel. Once we receive the final audited data electronically, we will input into the central service chapters. All cost and usage data will be aggregated and summarized by classification. Detailed schedules, most likely in the form of spreadsheets, will be prepared in order to assure an adequate audit trail.

***Task I-4: Input Allocation Statistics Into 2011 Cost Plan***

Measurable statistics that show the level of effort of services provided will be used as allocation statistics for each allowable departmental activity cost to allocate the activity costs to the “grantees” that receive service from the department. We will request and require that this data be provided to us in electronic format, preferably in Excel. The allocation statistics should represent the most equitable way of allocating the cost of a service. Examples of common allocation statistics include the number of full time equivalent employees by cost center, the number of transactions by cost center, and the number of square feet occupied by cost center. We will gather the statistics based on Fiscal 2011 usage or Fiscal 2011 budget and enter all the data into the central service chapters.

***Task I-5: Run Cost Allocation Plan Software for 2011 CAP***

Once all required data are assembled and verified, we will initialize a cost allocation model with the cost assignment and allocation rules. We will use our proprietary computer system, MAXCars, to process the cost allocation plan. MAXCars is a Windows-based generalized cost allocation application that we use routinely in preparing governmental cost allocation plans under OMB Circular A-87. Once we have loaded all data into MAXCars, we will review with the County the initial cost accumulations and rates. We have found that a series of reviews may be required in order to ensure that the allocation rules are realistic, and that the cost and usage data are accurate. Following each review, we will update the cost allocation model, and we will prepare a new set of accumulations and rates.

Once the project team and management concur on final cost accumulations and rates, we will update the Service Definitions to ensure that they reflect the final rate structure.

***Task I-6: Submit Final Cost Plan to County Officials***

After review of the Cost Allocation Plan, we will finalize the deliverable. The CAP plan will include Narratives, Summary Schedules, as well as the detail of costs by allocation basis for each department. MAXIMUS Consulting offers a cost plan guide that demonstrates how costs can be tracked from each allocation to the summary schedules. We will produce and deliver one (1) unbound copy and an electronic copy of the final cost allocation plan. In addition, we will provide Schedule A of the cost allocation plan in Microsoft Excel format, and the electronic file in PDF format of the cost plan as developed in MAXCars for further use or changes as needed by the County for budget forecasting.

**2.2.2 Phase II — Preparation of Indirect Cost Rate Proposals**

The second phase involves preparation of indirect cost rates for each of the County departments that require rates. The seven tasks of this phase are as follows.

***Task II-1: Project Initiation***

MAXIMUS Consulting will conduct a project kick-off meeting with County staff to determine and confirm what departmental and grant specific indirect cost rates might be used for recovery of the administrative costs from federal and state grant programs, as well as from capital or enterprise funds and fee programs.

***Task II-2: Develop Structure of Cost Rate Proposals***

We will review any prior indirect cost rate proposals. Once we have determined the necessary rates, we can begin the process of structuring the rates proposals based on Fiscal 2011 actual costs. Rate calculation is based on the ratio of “indirect costs” to “direct costs”. The “direct costs” are generally limited to just direct salary and wages, or alternatively, salary and wages plus fringe benefits. The direct cost base

includes all direct costs not just for grant programs. We will determine the direct “base” for each direct division needing a rate. This base will provide the ratio of the indirect costs as compared to the direct costs in each direct division. We will prepare the rates in accordance with OMB A-87 guidelines.

***Task II-3: Input 2011 Actual Data Into Rate Proposals***

We will enter the actual 2011 data for each of the County departments requiring rates and classify each cost as direct or indirect.

***Task II-4: Input 2011 Actual Grant Data Into Rate Proposals***

After we receive the final audited data from the County Comptroller’s Office, we will review and input the actual grant data into the rate proposals.

***Task II-5: Input Indirect Costs From 2011 Actual Cost Plan***

We will extract the indirect costs from the completed Fiscal Year 2011 OMB A-87 Cost Allocation Plan and input into the rate proposals for each department.

***Task II-6: Run Drafts of All Indirect Cost Rate Proposals***

Once completed, MAXIMUS Consulting will run drafts of all departmental indirect cost rate proposals. We will review and revise the rates including narratives and provide drafts to the County for review.

***Task II-7: Submit Cost Rate Proposals to County Officials***

We will incorporate any revisions requested by the County and finalize all departmental rate proposals. We will provide final reports of each departmental rate proposal to the County.

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**Pertaining to the project scope of services for Cook County, which we have just described above, we include the following two specifications, which we need County officials to confirm to us in writing:**

- That the data the County will provide is accurate and complete to the best of the County’s knowledge and that MAXIMUS Consulting may rely on it without the need to verify or audit it independently. To mitigate the risk that County staff may inadvertently provide inaccurate data, we will ask County staff to explain variances from prior year levels of more than 10%.
- That the County realizes that the cost allocation plan may be subject to audit by State or Federal authorities. The County does not expect MAXIMUS Consulting to guarantee an amount of cost recovery from the County’s use of the cost allocation plan. We are not liable for audit disallowances. However, if the work is subject to audit, MAXIMUS Consulting will cooperate by explaining how it developed its findings and, in the event that there is an error in our calculations, we will revise our cost allocation plan at no additional cost to the County.

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Following this scope document confirmation, we provide a **Work Breakdown Structure (WBS)** for each of the phases of work to be performed. The WBS details the tasks within each phase, the proposed hours by job title to accomplish each task, and the proposed cost for the phase, using the approved rates as designated in the City of Chicago Master Consulting Agreement. We have also provided a **Gantt Chart** for each of the phases. The Gantt chart presents, for each phase, the timeline to accomplish the work annually. **Based on the time frame to meet the County’s discussed deadlines, we assume that the proposed work will be awarded before the end of April 2012 and will start shortly thereafter. Our Gantt charts make use of that assumption.** If the proposed work is not awarded in April, our timeline to accomplish each task could be adjusted accordingly.

### 3. EXECUTIVE SUMMARY

Cook County's needs for revenue enhancement and cost management are ongoing. The new County Board President has focused her first year's efforts on eliminating the large operating budget deficit, and on balancing the current County budget, without increasing property, sales, or income taxes. To help accomplish this, the County must safeguard the hundreds of millions of dollars of Federal and State funds it receives annually, while also seeking reimbursements of County indirect costs from these funding sources.

In this task order agreement, we describe how we would work with the County to develop the reimbursement and cost management tools so important to the County's fiscal health. We present our services in the area of Cost Allocation/Indirect Cost Rate Proposal work.

The County's evaluation committee should consider these points:

- Our proposed work plan is based on an understanding of what the work requires, gained from our long term relationship with the County.
- We understand the County's financial structures and how the County operates – you will not have to spend significant time “training” us on what you expect or how the County functions
- Our scope of work is exactly what is needed to protect and preserve this vital source of revenue needed to support the County's programs. The County will receive a high quality plan and rate proposals that will hold up under outside audit

We have provided these types of cost allocation and cost accounting services to Cities, Counties, Special Districts, and States nationwide, many with populations of 1 million or greater. For example, the cities of Chicago, Philadelphia, Houston, Richmond, Atlanta, Jacksonville, Tampa, San Antonio, El Paso, St. Louis, Raleigh, and Nashville/Davidson have been long standing satisfied customers. With more than 25 years of involvement and exposure to Cook County, we know the County's organization, personnel, data sources, and systems; we have the right staff and tools; and we have a long record of success in cost allocation.

The County's Office of Management and Budget Services likely knows our work in the areas of cost accounting and in other cost-benefit and management consulting services. Each year, Cook County receives many millions of dollars of reimbursements essential for funding County services to residents, businesses and schools. These reimbursements come from Federal and State agencies and from customers of its non-Corporate funds. Reimbursements often depend on preparation of claims for reimbursement in the format and by the processes defined by regulation or contract. We have been successful in dealing with independent audits of our work in this field. Our cost allocation work for Metra, for example, just finished an independent triennial audit, with a focus on cost allocation that made not one single adjustment. We have been consistent with our approach that auditors are used to seeing in Illinois – since we dominate the Illinois state and local cost allocation plan market.

Not only are we the best-qualified firm to prepare the services we present, but our knowledge of the County's processes and our long time relationships with various County personnel ensure that the effort is, and will continue to be, as painless as possible for County staff. We will continue to use senior level people and we will call upon senior level personnel who have experience negotiating with DHHS, the federal cognizant agency for the state of Illinois.

To summarize, we are confident of this project's success because we offer:

- A track record of success – plans that require minimal work by the County that help the County recover millions of dollars and that are upheld as valid and compliant plans in federal audits
- The advantage of a dedicated practice

- A long history of performing similar work for the City of Chicago, Metra, Pace, CTA and other government agencies
- Interdisciplinary staff skills mix, including cost allocation and financial consultants, with subject matter expertise
- A knowledgeable vendor
- A cooperative team of client and vendor
- Post project support

#### ***Track Record of Success***

We have been providing cost allocation services, periodically, to the County for more than 25 years. During that time, you have received high quality plan reviews and training. The plans that we have prepared help the County recover millions of dollars each year and federal auditors have certified that the plans are fully compliant with federal requirements.

#### ***The Advantage of a Dedicated Practice***

Unlike many other large firms, MAXIMUS is dedicated to working in the public sector as defined by our motto of “*Helping Government Serve the People.*” We are first and foremost a consulting company with a specialized practice that addresses the full complement of business needs of its public sector clients.

#### ***A Long History of Performing Similar Work for Cook County and other Government Agencies***

As our project qualifications demonstrate, MAXIMUS Consulting has a distinguished history of working with government agencies to address management issues and concerns. We have literally performed thousands of these types of cost allocation studies across the nation and our consultants keep informed of any changes in the federal regulations that guide and determine how we conduct these studies.

#### ***Interdisciplinary Staff Skills Mix, Including Cost Allocation and Financial Consultants, with Subject Matter Expertise***

The size of our firm allows us to be able to recruit and maintain a solid cadre of professional consultants with a broad mix of skills. Our project team will be able to draw on a variety of technical and programmatic skills from our various divisions, as needed. We can handle every aspect of this assignment.

Specifically for cost allocation plans and indirect cost rate proposals, we will use our proprietary software, MAXCars, designed at great expense specifically for the purpose of generating the information needed for the County’s reimbursement claims.

#### ***A Knowledgeable Vendor***

The rules governing reimbursement of indirect cost allow for some discretion and are full of jargon. The decisions of state and federal review agencies provide further insight into what reimbursements to seek and how to document them. With 85 staff practicing in this area, we keep abreast of current developments.

Our continuously evolving internal review process requires a second set of eyes on each project methodology and deliverable document. We support our staff with a quality control checklist and random internal quality audits of projects by staff from outside of the project team. Of course, we assign staff with expertise equal or better than any other firm. Being human, anyone will benefit from a second level of review.

#### ***A Cooperative Team of Client and Vendor***

We assume that you will assign a liaison to support our need for data, scheduling support and review of drafts. Our project manager will be the key contact on our team. While there will be contacts at other

levels, your project liaison and our project manager are the key individuals coordinating our mutual efforts. Any issues on the project team that cannot be resolved at other levels should escalate to these two individuals. On the vendor team, if we cannot resolve a question at that level, please escalate the issue to our project director or practice area director. We ask that you too provide us with direction on how to proceed if we are unable to obtain information we need from your project liaison.

We do not anticipate that there will be situations that require us to escalate outside of this group, but in the interest of keeping the project within scope and on schedule, we find that defining the issue escalation process at commencement of the project is a good project management practice.

***Post Project Support***

Our fee includes all services need to support and defend the plans – as our history shows, we do not typically demand change orders from the County when you ask for our help. We gladly provide it as part of our role as a trusted advisor to the County. Occasionally, client staff or external agencies that review client cost allocation plans will ask questions about the analysis. Your submitted document may require negotiation – it is not always clear if it will, when that may occur, and how much time that may require. As we provide in our work plan, we will be available to answer these questions. We keep detailed work papers to make it easy to answer such questions.

Standing behind our work is a financially solid firm that provides these services to thousands of other local governments and is known by the outside audit and grant agencies as the premier provider of these services nationally.

## 4. COMPLIANCE PLAN

Like many area governments, Cook County requires participation of certified minority and/or women owned enterprises. We support the County's participation goals and we intend to comply with the County's requirements of participation by a minority and woman-owned firm.

### 4.1 MINORITY-OWNED FIRM PARTICIPATION

It is our intention to again contract with Susan Hiertz Enterprises, LLC, a firm certified as an MBE and a WBE with the City of Chicago, for at least 16.9% of each approved project that we perform under this agreement. We expect that this direct participation will satisfy the County's MBE/WBE participation goal for this contract. Susan Hiertz Enterprises, LLC also provide services to MAXIMUS Consulting in support of our cost allocation work for other area clients, including clients such as the City of Chicago and Metra – Metropolitan Rail. We have worked with Susan Hiertz Enterprises, LLC since 2003 on our cost allocation work, as she has gone through extensive training on our MAXCars proprietary cost allocation software. She is the only minority or woman owned firm that we have identified, with true experience in cost allocation and the federal OMB regulations.

CONTRACT NO. 12-30-243

EXHIBIT 2

**County Price Proposal**

## **Cook County Price Proposal**

This Agreement will enable an overall value that will not exceed \$56,870.00 through the contract end date of December 31, 2013 per the County Statement of Work.

COOK COUNTY, ILLINOIS - PROJECT BUDGET  
COST ALLOCATION PLAN AND INDIRECT COST RATE PROPOSALS - FISCAL YEAR 2011

Task	Vice President	Project Director	Professional Staff	DBE Staff	Total
<b>I-1 PROJECT INITIATION - PHASE I</b>	1	4	4	8	17
<b>PREPARATION OF 2011 ACTUAL COST ALLOCATION PLAN</b>					
Attend kickoff meetings or have telephone discussions					
<b>I-2 DEVELOP STRUCTURE OF COST ALLOCATION PLAN</b>		8	8	8	24
Review prior plans and compare to current County organization					
Confirm central service departments					
Confirm grantee or receiver cost pools					
<b>I-3 INPUT ACTUAL EXPENDITURE DATA INTO 2011 COST PLAN</b>		12	40	70	122
Enter actual expenditure data into central service chapters.					
after final audited data is provided to us by the County					
<b>I-4 INPUT ALLOCATION STATISTICS INTO 2011 COST PLAN</b>		12	24	60	96
Gather allocation statistics based on 2011 usage or 2011 budget					
Enter allocation data into central service chapters.					
after allocation statistics are provided to us by the County					
<b>I-5 RUN COST ALLOCATION PLAN SOFTWARE FOR 2011 CAP</b>		16	16	40	72
Run draft of the 2011 actual cost allocation plan					
Review and revise cost plan results, including narratives					
Run final version of the cost plan, after County provides its review					
<b>I-6 SUBMIT FINAL COST PLAN TO COUNTY OFFICIALS</b>		10	4	4	18
<b>PHASE I SUMMARY:</b>					
<b>TOTAL HOURS</b>	1	62	96	190	349
<b>HOURLY RATES</b>	\$315	\$246	\$150	\$47.50	
<b>TOTAL PROFESSIONAL LABOR</b>	\$315	\$15,252	\$14,400	\$9,025	\$38,992
<b>EXPENSES</b>		\$150	\$150	\$0	\$300
<b>TOTAL PROFESSIONAL FEES - PHASE I</b>	\$315	\$15,402	\$14,550	\$9,025	\$39,292
<b>II-1 PROJECT INITIATION - PHASE II</b>					
<b>PREPARATION OF INDIRECT COST RATE PROPOSALS</b>	1	4	4	2	11
Attend kickoff meetings or have telephone discussions					
Identify the County departments requiring rate proposals, including any specific grant programs					
<b>II-2 DEVELOP STRUCTURE OF COST RATE PROPOSALS</b>		8	8	2	18
Review prior indirect cost rate proposals					
Prepare structure based on 2011 actual costs, including grant specific rates and departmental rates					
<b>II-3 INPUT 2011 ACTUAL DATA INTO RATE PROPOSALS</b>		2	16	2	20
Enter data for each of the grants or departments requiring rates					
Classify each cost as direct or indirect - from Corporate Fund exp					
<b>II-4 INPUT 2011 ACTUAL GRANT DATA INTO RATE PROPOSALS</b>		2	16	2	20
Gather grant actual data from Comptroller's office to enter.					
after final audited data is provided to us by the County					
<b>II-5 INPUT INDIRECT COSTS FROM 2011 ACTUAL COST PLAN</b>		2	8	2	12
Enter allocation data from cost plan for each rate department					
<b>II-6 RUN DRAFTS OF ALL INDIRECT COST RATE PROPOSALS</b>		6	8		14
Review and revise rate proposals, including narratives					
Run final versions of the indirect rate proposals, after County review					
<b>II-7 SUBMIT COST RATE PROPOSALS TO COUNTY OFFICIALS</b>		4	4		8
<b>PHASE II SUMMARY:</b>					
<b>TOTAL HOURS</b>	1	28	64	10	103
<b>HOURLY RATES</b>	\$315	\$246	\$150	\$47.50	
<b>TOTAL PROFESSIONAL LABOR</b>	\$315	\$6,888	\$9,600	\$475	\$17,278
<b>EXPENSES</b>		\$150	\$150	\$0	\$300
<b>TOTAL PROFESSIONAL FEES - PHASE II</b>	\$315	\$7,038	\$9,750	\$475	\$17,578
<b>TOTAL HOURS - PHASE I AND II: CAP AND ICRPE</b>	2	90	160	200	452
x <b>HOURLY RATES</b>	\$315	\$246	\$150	\$47.50	
= <b>TOTAL PROFESSIONAL LABOR</b>	\$630	\$22,140	\$24,000	\$9,500	\$56,270
+ <b>EXPENSES</b>	\$0	\$300	\$300	\$0	\$600
<b>TOTAL PROFESSIONAL FEES - PHASES I AND II</b>					<b>\$56,870</b>



COOK COUNTY, ILLINOIS - PROJECT BUDGET - GANTT CHART  
COST ALLOCATION PLAN AND INDIRECT COST RATE PROPOSALS - FY 2011

Task	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>I-1 PROJECT INITIATION - PHASE I</b>															
<b>PREPARATION OF 2011 ACTUAL COST ALLOCATION PLAN</b>															
Attend kickoff meetings or have telephone discussions															
<b>I-2 DEVELOP STRUCTURE OF COST ALLOCATION PLAN</b>															
Review prior plans and compare to current County organization															
Confirm central service departments															
Confirm grantee or receiver cost pools															
<b>I-3 INPUT ACTUAL EXPENDITURE DATA INTO 2011 COST PLAN</b>															
Enter actual expenditure data into central service chapters.															
after final audited data is provided to us by the County															
<b>I-4 INPUT ALLOCATION STATISTICS INTO 2011 COST PLAN</b>															
Gather allocation statistics based on 2011 usage or 2011 budget															
Enter allocation data into central service chapters.															
after allocation statistics are provided to us by the County															
<b>I-5 RUN COST ALLOCATION PLAN SOFTWARE FOR 2011 CAF</b>															
Run draft of the 2011 actual cost allocation plan															
Review and revise cost plan results, including narratives															
Run final version of the cost plan after County provides its review															
<b>I-6 SUBMIT FINAL COST PLAN TO COUNTY OFFICIALS</b>															
<b>PHASE I SUMMARY:</b>															
<b>TOTAL HOURS</b>															
<b>II-1 PROJECT INITIATION - PHASE II</b>															
<b>PREPARATION OF INDIRECT COST RATE PROPOSALS</b>															
Attend kickoff meetings or have telephone discussions															
Identify the County departments requiring rate proposals, including any specific grant programs															
<b>II-2 DEVELOP STRUCTURE OF COST RATE PROPOSALS</b>															
Review prior indirect cost rate proposals															
Prepare structure based on 2011 actual costs, including grant specific rates and departmental rates															
<b>II-3 INPUT 2011 ACTUAL DATA INTO RATE PROPOSALS</b>															
Enter data for each of the grants or departments requiring rates															
Classify each cost as direct or indirect - from Corporate Fund exp															
<b>II-4 INPUT 2011 ACTUAL GRANT DATA INTO RATE PROPOSALS</b>															
Gather grant actual data from Comptroller's office to enter															
after final audited data is provided to us by the County															
<b>II-5 INPUT INDIRECT COSTS FROM 2011 ACTUAL COST PLAN</b>															
Enter allocation data from cost plan for each rate department															
<b>II-6 RUN DRAFTS OF ALL INDIRECT COST RATE PROPOSALS</b>															
Review and revise rate proposals, including narratives															
Run final versions of the indirect rate proposals after County review															
<b>II-7 SUBMIT COST RATE PROPOSALS TO COUNTY OFFICIALS</b>															

CONTRACT NO. 12-30-243

EXHIBIT 3

**City of Chicago Contract (Contract No. 14487)**

## Contract Summary Sheet

**Contract (PO) Number:** 14487

**Specification Number:** 42504

**Name of Contractor:** MAXIMUS, INC.

**City Department:** DEPARTMENT OF FINANCE

**Title of Contract:** FINANCIAL SERVICES: MANAGEMENT CONSULTING,  
ACCOUNTING AND COST BENEFIT ANALYSIS

**Term of Contract: Start Date:** 1/1/2007

**End Date:** 12/31/2013

**Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):**  
\$8,000,000.00

**Brief Description of Work:** FINANCIAL SERVICES: MANAGEMENT CONSULTING,  
ACCOUNTING AND COST BENEFIT ANALYSIS

**Procurement Services Contract Area:** PRO SERV CONSULTING \$250,000orABOVE

*Please refer to the DPS website for Contact information under "Doing Business With The City".*

**Vendor Number:** 1066743

**Submission Date:** JUN 15 2007

**Specification Number: 42504  
Contract (PO) Number: 14487  
Vendor Code Number: 1066743C**

**MASTER CONSULTING AGREEMENT**

**BETWEEN**

**THE CITY OF CHICAGO  
DEPARTMENT OF LAW  
AND**

**DEPARTMENT OF FINANCE**

**AND**

**MAXIMUS, INC**



**FINANCIAL SERVICES**

**MANAGEMENT CONSULTING, ACCOUNTING AND COST BENEFIT  
ANALYSIS SERVICES**

**RICHARD M. DALEY  
MAYOR**

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## AGREEMENT

This Agreement is entered into as of this 1st day of January, 2007, by and between **Maximus, Inc** ("Consultant"), a business corporation authorized to do business in Virginia, and the City of Chicago ("City"), a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Finance and Department of Law ("Department"), in Chicago, Illinois.

### BACKGROUND INFORMATION

*The City requires financial services in the areas of: management consulting, audit, attestation, actuarial, accounting, tax support, benefits, cost benefit analysis and risk management. The City advertised and issued a Request for Proposals ("RFP") from consultants qualified to perform the Services.*

*The City evaluated the Consultant's response to the RFP and found the Consultant to be capable of performing the Services in the area(s) specified on the cover page of this Agreement. The Consultant represents and warrants that it is highly qualified and competent to perform the Services and has the necessary expertise and knowledge to complete any Services assigned to it in accordance with this Agreement.*

*The City may, but is not obligated to, issue Task Order Requests within the scope of this Agreement. If the City does so, and the Consultant submits a Proposal that is accepted by the City, the rendering of Services will be in accordance with this Agreement and the Task Order issued pursuant to the Task Order Request and Proposal. The City is not obligated to issue any Task Order Requests nor to issue any Task Orders under this Agreement.*

*The Consultant warrants that it is ready, willing and able to perform as of the effective date of this Agreement to the full satisfaction of the City.*

NOW, THEREFORE, the City and the Consultant agree as follows:

#### ARTICLE 1. INCORPORATION OF BACKGROUND INFORMATION

The Background Information set forth above is incorporated into and made a part of this Agreement by reference.

#### ARTICLE 2. DEFINITIONS

The following words and phrases have the following meanings for purposes of this Agreement:

**"Acceptance"** shall mean the issuance of a letter by City indicating its acceptance of a Deliverable

**“Account Manager”** means the Key Employee of the Consultant who is assigned to the City upon execution of this Agreement and who is the primary contact for the City for all Requests for Service.

**“Agreement”** means this Master Consulting Agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

**“Budget”** shall mean the accepted Cost Proposal for the Services to be provided by the Consultant as set forth in a Proposal submitted in response to a Task Order Request.

**“Corporation Counsel”** means the Corporation Counsel of the City of Chicago, who is the chief executive of the Department of Law, and any representative duly authorized to act on her behalf.

**“City Comptroller”** means the Comptroller of the City of Chicago, who is the chief executive of the Department of Law, and any representative duly authorized to act on her behalf.

**“Chief Procurement Officer”** or **“CPO”** means the Chief Procurement Officer of the City of Chicago, who is the chief executive of the Department of Procurement Services, and any representative duly authorized to act on her behalf.

**“City”** means the City of Chicago.

**“City Data”** shall mean all data submitted to Consultant by City in connection with any Task Order, including all data which includes images and electronic information related to City employees, City customers, projects, property, payroll, human resources, budget, purchasing, grants, projects and all financial data.

**“Confidential Information”** of a party shall mean all confidential or proprietary information and documentation of such party, including with respect to the City, all City Data and other information of the City that is not permitted to be disclosed to third parties under local laws and regulations.

**“Consents”** shall mean all consents, approvals, authorizations, notices, requests, and acknowledgments that are necessary to allow the (a) City to use the Deliverables, (b) Consultant to perform the Services, and (c) Consultant to assign to the City all rights and title in the Deliverables.

**“Consultant”** means Maximus, Inc.

**“Cost Proposal”** means a cost proposal prepared by the Consultant in response to a Task Order Request. An accepted Cost Proposal will be the Budget for the project.

**“Deliverables”** shall mean those tangibles to be provided by the Consultant as described in Section 3.01(C).

**“Department”** means the Department of Finance and Department of Law or any other participating City Department.

**“Documentation”** shall mean all documentation, written materials, work papers, configurations, manuals, and other work product prepared by or on behalf of the Consultant, its subcontractors or agents in connection with providing the Services.

**“Fully-Loaded Hourly Rates”** shall mean that hourly rate, by particular type of worker, which includes all expenses of the Consultant except for the direct costs specifically set forth in a Task Order.

**“Key Personnel”** shall mean those positions and job titles and the persons assigned to those positions and job titles in accordance with the provisions of Section 3.03(B) of this Agreement.

**“Notice-to-Proceed”** means a written acceptance of a Proposal by both the City Comptroller and Corporation Counsel and CPO and direction to commence Services under a Task Order.

**“Project Documents”** means this Agreement, the Request for Service, the Task Order and any attachments to them.

**“Project Manager”** means the Consultant’s staff member indicated on each Proposal as the person who will direct and coordinate the execution of the Task Order and who will be the primary contact with the Department.

**“Proposal”** means the detailed description of the Services to be provided by the Consultant in a response to a Task Order Request issued in accordance with Section 3.01(B). Unless otherwise indicated, references to Proposal will be deemed to include the applicable Cost Proposal.

**“RFP”** shall mean that certain Request for Proposals for Financial Services for the Department of Finance and Department of Law dated June 6, 2006.

**“Risk Management Office”** means the Risk Management Office in the City’s Department of Finance which is under the direction of the Comptroller of the City and is charged with reviewing and analyzing insurance and related liability matters for the City.

**“Services”** means, collectively, the services, duties and responsibilities described in the Project Documents and any and all work necessary to complete them or carry them out fully as required.

**“Subcontractor”** means any person or entity with whom the Consultant contracts to provide any part of the Services. The term Subcontractor also includes subcontractors of any tier, subcontractors of any tier, suppliers and materialmen, whether or not in privity with the Consultant.

**“Task Order”** means an approved Proposal, as modified by negotiation between the City and Consultant, signed by the CPO and issued pursuant to the Task Order procedures set forth in Exhibit 2.

**“Task Order Request” or “TOR”** means a written request from the City Comptroller, Corporation Counsel and the CPO for Consultants to prepare and submit a Proposal, including Cost Proposal for Services relating to a specific project, issued pursuant to the Task Order procedures set forth in Exhibit 2.

**“Warranty Period”** means the one year period following Acceptance, unless otherwise specified in the Project Documents.

**“Work Product”** shall include all finished and unfinished originals or copies (when originals are unavailable) of documents, screens, reports, writings, procedural manuals, forms, source and object code, work flow charts, methods, processes, data studies, plans, designs, transformed data, briefs, drawings, maps, models, photographs, files, records, computer printouts, estimates, memoranda, interfaces, computation, papers, supplies, notes, recordings, videotapes, pictorial reproductions, designs or other graphic representations, equipment descriptions, and other materials prepared by the Consultant under this Agreement.

## **2.01 Incorporation of Exhibits**

The following attached Exhibits are made a part of this Agreement:

Exhibit 1	Scope of Services and Compensation Schedule
Exhibit 2	Task Orders
Exhibit 3	Insurance Requirements and Evidence of Insurance
Exhibit 4	Task Order Special Conditions Regarding Minority Business Enterprise Commitment and Women’s Business Enterprise Commitment
Exhibit 5	Economic Disclosure Statement and Affidavit
Exhibit 6	List of Key Personnel

## **ARTICLE 3. DUTIES AND RESPONSIBILITIES OF CONSULTANT**

### **3.01 Scope of Services**

#### **A. General**

The type of Services which the Consultant may be requested to provide under this Agreement are those described in this Article 3 and Exhibit 1, which is attached to this Agreement and incorporated by reference as if fully set forth here, and all tasks necessary to complete such Services. The Consultant must provide Services in accordance with the standards of performance set forth in Section 3.02.

The Consultant is acting as an independent Consultant in performing under this Agreement and nothing in this Agreement is intended or should be construed as in any way creating or establishing the relationship of partners or joint venturers between the City and the Consultant, or as constituting the Consultant or any officer, owner, employee or agent of the Consultant as an agent, representative or employee of the City for any purpose or in any manner whatsoever.

## **B. Task Order Requests**

### **1. Task Order Requests.**

(a) From time to time the City Comptroller, Corporation Counsel and other City departments may issue Task Order Requests which are within the scope of this Agreement. Task Order Requests, if any, will set forth the project for which Services are to be performed, the required completion date, and the basis of compensation. In the event that a project is funded in whole or part with state or federal funds, the Task Order Request may also set forth additional conditions required by the particular source of funds and such additional conditions will become part of this Agreement with respect to that specific project. By accepting a Proposal in response to a particular Task Order Request, this Agreement will be deemed to have been amended to include such special conditions pursuant to Section 11.03 but with respect to that project only. The Consultant will not respond to Task Order Requests which are not within the scope of this Agreement.

(b) The Task Order Requests "TOR" will ask the Consultant to provide professional consulting services and advice to assist the City.

(c) The Consultant acknowledges and agrees that the City is under no obligation to issue any Task Order Requests to the Consultant; that the level of Services requested may vary by project; and that the City has entered into similar agreements with other Consultants and, in the CPO's sole discretion, the City may issue a Task Order Request to only one consultant or may issue the same Task Order Request to more than one consultant in order to obtain competitive proposals.

### **2. Proposals.**

(a) The Consultant will respond to a Task Order Request by submitting a Proposal to the City Comptroller, Corporation Counsel or other City departments which describes the Consultant's approach and plan for performing those Services and contains a time schedule for completion of Services, Deliverables to be provided and a schedule for delivery, a staffing schedule, and a Cost Proposal, all of which conform to the terms of the Task Order Request and the terms and conditions of this Agreement. Proposals will constitute irrevocable offers for a period of 60 calendar days after receipt by the City. Any and all costs associated with the preparation of Proposals will not be a reimbursable cost under this Agreement.

(b) Proposals satisfactory to the City Comptroller and Corporation Counsel must be accepted on behalf of the City by the CPO before binding the City and Consultant. The City's

acceptance will be demonstrated by a Notice-to-Proceed and a Task Order, issued pursuant to the Task Order procedures set forth in Exhibit 2. The Consultant will not commence Services, and the City will not be liable for any costs incurred by or payments to the Consultant, without a Notice-to-Proceed so executed. All approved Proposals will be governed by the terms and conditions of the Project Documents. The Project Documents will be interpreted in the following order of precedence: the terms of this Agreement, Task Order Request, and Task Order (approved Proposal). Any terms and conditions in a Task Order beyond Services descriptions, warranty limits, schedule for delivery and cost or which otherwise conflict with, are inconsistent with, or address matters not addressed in this Agreement are void and of no effect on the City (notwithstanding any other approval contemplated or provided for under this Agreement), unless accepted in writing by the Mayor, Comptroller and CPO as an amendment to this Agreement.

(c) The Consultant acknowledges and agrees that the City either may select from among those Proposals submitted in response to a Task Order Request that Proposal which is in the best interests of the City or may reject any and all Proposals submitted in response to a Task Order Request. The Consultant further acknowledges and agrees that this Agreement and any Task Order may be subject to approval by other governmental agencies and that, if such approval is required, the Consultant will perform no Services relating to a Proposal until such approval is obtained.

3. Deadlines for Submittal of Proposals. Proposals will be submitted to the City Comptroller and Corporation Counsel no later than the date set forth in the Task Order Request and if no date is specified then no later than 15 business days following Consultant's receipt of the Task Order Request. Failure to provide a Proposal on a timely basis may result in rejection of the Proposal.

4. Negotiation Possible. The City reserves the right, at its option, either to accept a Proposal as submitted by the Consultant, reject the Proposal, or to negotiate a more satisfactory Proposal with one or more Consultants.

### C. Deliverables

1. City Approval Required. In carrying out Services, the Consultant must prepare or provide Deliverables. Deliverables, include but are not limited to various written studies, procedural manuals, forms, source and object code, work flow charts, methods, processes, plans, designs, transformed data, data studies, interfaces, briefs, drawings, maps, models, photographs, files, records, computer printouts, estimates, memoranda, computation, papers, supplies, notes, recordings, videotapes, pictorial reproductions, designs or other graphic representations, equipment descriptions, and other materials prepared by the Consultant under this Agreement. The City reserves the right to reject any and all Deliverables which in the sole judgment of the City do not adequately represent the intended level of completion or standard of performance, do not include relevant information or data, do not comply with federal, state, or local reporting requirements, or do not include all documents which are specified in this Agreement or the applicable Proposal or which are reasonably necessary for the purposes for which the City made this Agreement with Consultant or for which the City intends to use the Deliverables.

2. Partial Deliverables. Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the City Comptroller and Corporation Counsel. Such Deliverables may not be considered as satisfying the requirements of this Agreement. Partial or incomplete Deliverables will in no way relieve Consultant of its commitments hereunder.

#### **D. Meetings**

The Consultant will meet regularly with the City Comptroller and Corporation Counsel to discuss matters relating to outstanding Projects. In addition, at the City Comptroller and Corporation Counsel's request, the Consultant must attend other meetings with the City or other interested parties designated by the City Comptroller and Corporation Counsel.

### **3.02 Standard of Performance**

#### **A. General**

1. Professional and Fiduciary. The Consultant will perform all Services required of it under this Agreement with that degree of skill and care normally shown by a professional performing Services of a comparable nature and scope. With respect to the Consultant's duties to the City, the Consultant will be deemed to be acting in a fiduciary capacity for the City and will be held to a fiduciary standard in performing its Services. Nothing contained in this Section, however, shall be construed to relieve Consultant of its obligations pertaining to a Proposal and a Task Order as set forth in Sections 3.01(B)(2) and 3.02(A)(2).

2. Satisfactory Performance. The Consultant will perform or cause to be performed all Services required by the Agreement in accordance with the terms and conditions of this Agreement, in accordance with any federal, state and local laws, statutes, ordinances, regulations and standards applicable to this Agreement, and to the satisfaction of the City Comptroller and Corporation Counsel. The Consultant must at all times act in the best interests of the City consistent with the professional and fiduciary obligations assumed by it in entering into this Agreement and will assure timely and satisfactory rendering and completion of its Services, including but not limited to Deliverables.

3. Qualified Personnel. The Consultant must assure that all Services which require the exercise of professional skills or judgment must be accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. The Consultant covenants with the City to furnish its best professional expertise and judgment in furthering the City's interests.

4. Efficiency. The Consultant agrees to furnish efficient business administration and supervision to render and complete the Services at reasonable cost, if furnished on a time and material basis.

## **B. Cooperation**

The Consultant will at all times cooperate fully with the City, its agents, employees, consultants, and subcontractors; any other parties providing services with respect to this Agreement; and any interested governmental agency. The Consultant will at all times act in the City's best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, the Consultant will make every effort to assure an orderly transition to another provider of the Services, if any; an orderly demobilization of its own operations in connection with the Services; uninterrupted provision of Services during any transition period; and will otherwise comply with the reasonable requests and requirements of the City Comptroller and Corporation Counsel in connection with the termination or expiration.

## **C. Failure to Comply**

If Consultant fails to comply with the above standards, Consultant will perform again, at its own expense, any and all Services required to be performed again as a direct or indirect result of such failure. The duty to perform again is in addition to and not a limitation on any other remedies available to the City under this Agreement, at law, or in equity.

## **D. Related Services**

The parties have attempted to delineate in this Agreement and its Exhibits, and will attempt to delineate in each Task Order, the specific tasks, activities, and Services that will be performed by Consultant, and the specific Deliverables that will be provided by Consultant, in the Project. Nevertheless, and notwithstanding anything to the contrary herein, the parties acknowledge and agree that no such delineation may possibly be entirely exhaustive or complete and that all such delineations will be interpreted as illustrations of the general types and natures of Services and Deliverables that are to be provided by Consultant, rather than as complete and exhaustive lists of such Services and Deliverables. Notwithstanding anything to the contrary elsewhere in this Agreement or in any Task Order, the parties agree that the Services to be performed by Consultant with respect to any Project as a whole shall be deemed to include not only such delineated tasks, activities, and Services, but also such other tasks, activities, responsibilities, and services as are consistent with and reasonably related to those that are so delineated and are otherwise necessary to provide City with the requirements of this Agreement.

### **3.03 Personnel**

#### **A. Adequate Staffing**

The Consultant will, immediately upon receiving a fully executed copy of this Agreement, assign during the term of this Agreement and any extension of it an Account Manager who will be the Consultant's designated person to receive Task Order Requests and to submit Proposals. If assigned a Project, the Consultant will, immediately upon receiving a fully executed Task Order, assign during the term of the Project an adequate staff of competent personnel which is fully equipped, licensed as appropriate, available as needed, qualified and assigned to perform the Services. The Consultant will identify such personnel and their positions

in a staffing schedule which will be included in each Proposal.

## **B. Key Personnel**

1. Minimum Requirements. The Consultant's Key Personnel under this Agreement will consist of an Account Manager who will be the contact person for the City and such other personnel as may be named for specific projects in the respective Proposal. Changes in the assignment of committed key personnel due to commitments not related to this Agreement are prohibited without the City Comptroller and Corporation Counsel's approval. Key personnel may also include other critical members of the project as specified in the Proposal. Key personnel, if any, are identified in Exhibit 6.

2. No Substitutions. The Consultant will not reassign or replace Key Personnel without the written consent of the City Comptroller and Corporation Counsel which consent will not be unreasonably withheld. The CPO may at any time in writing notify the Consultant that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel. Upon such notice the Consultant will immediately cease to assign that person or those persons to perform the Services and will replace him or them with personnel qualified to perform the function and acceptable to the City Comptroller and Corporation Counsel.

If any Key Personnel furnished by the Consultant to perform Services under this Agreement are unable to continue in the performance of assigned duties for reasons beyond the Consultant's control, the Consultant shall promptly notify the City, explaining the circumstances. Within 10 days of notification by either party of the need to replace Key Personnel, the Consultant must furnish to the City the name of the substitute person and any other information the City may require. If the City does not approve such substitute person, the Consultant must propose another substitute person within 5 days. Such 5-day cycle will be repeated for a reasonable period until a proposed replacement has been approved by the City or the City has declared an Event of Default.

## **C. Salaries and Wages**

The Consultant must pay, and cause each of its Subcontractors to pay, salaries and wages due to all employees of the Consultant and its Subcontractors, respectively, performing Services under this Agreement unconditionally and at least once a month without deduction or rebate on any account, except only for such payroll deductions as are mandatory by law or are permitted under applicable law and regulations. If, in the performance of this Agreement, the Consultant or any Subcontractor underpays any such salaries or wages, the Comptroller may withhold, out of payments due to the Consultant, an amount sufficient to pay to employees underpaid the difference between the salaries or wages required to be paid under this Agreement or the applicable subcontract and the salaries or wages actually paid these employees for the total number of hours worked. The amounts withheld may be disbursed by the Comptroller for and on account of the Consultant to the respective employees to whom they are due. The parties acknowledge that this section is solely for the benefit of the City and that it does not grant any third party beneficiary rights.

### **3.04 Minority and Women Business Enterprises**

In the performance of this Agreement, including the procurement and lease of materials or equipment, Consultant must abide by the minority and women business enterprise commitment requirements of the Municipal Code of Chicago, Section 2-92-420 et seq. Failure to commit to these goals may result in early termination of the agreement. Consultant acknowledges that the City reserves the right, based on Task Order Request solicitation description, to increase or decrease the M/WBE compliance participation based on the available pool of City of Chicago certified Minority and Women owned businesses. Consultant agrees to abide by Task Order Request, details which will include the required M/WBE participation. The special conditions governing minority and women's business enterprises are attached hereto as Exhibit 4 and are hereby incorporated by reference as if fully set forth herein. The Consultant's completed Schedules C-3 and D-3 evidencing its compliance must be submitted with each Proposal and will become a part of the Project Documents upon acceptance by the CPO.

Any proposed M/WBE on Task Order Request must be certified by the City's Department of Procurement Services at the time of the Proposal submittal. The City reserves the rights to require replacement of any proposed M/WBE that is not certified by the City of Chicago.

Each Consultant will be required to submit an MBE/WBE Utilization Report, as included in Exhibit 4, and supporting documentation within ninety (90) days after award of Task Order and quarterly thereafter to the City of Chicago, Department of Procurement Services, Division of Contract Monitoring and Compliance, Room 403, City Hall, 121 North LaSalle Street, Chicago, Illinois 60602. The MBE/WBE Utilization Reports must reflect actual amounts paid to each MBE/WBE to date based on percentages of total contract value.

### **3.05 Ownership of Documents**

All Deliverables, data, findings or information in any form prepared, assembled or encountered by or provided to Consultant under this Agreement are property of the City, including, as further described in Section 3.06 below, all copyrights inherent in them or their preparation. During performance of its Services, Consultant is responsible for any loss or damage to the Deliverables, data, findings or information while in Consultant's or any Subcontractor's possession. Any such lost or damaged Deliverables, data, findings or information must be restored at the expense of Consultant. If not restorable, Consultant must bear the cost of replacement and of any loss suffered by the City on account of the destruction, as provided in Section 8.02.

### **3.06 Copyright Ownership**

Consultant and the City intend that, to the extent permitted by law, the Deliverables to be produced by Consultant at the City's instance and expense under this Agreement are conclusively deemed "works made for hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. §101 *et seq.*, and that the City will be the sole copyright owner of the Deliverables and of all aspects, elements and components of them in which copyright can

subsist, and of all rights to apply for copyright registration or prosecute any claim of infringement.

To the extent that any Deliverable does not qualify as a "work made for hire," Consultant hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the City, its successors and assigns, all right, title and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright renewals for them, and other intangible, intellectual property embodied in or pertaining to the Deliverables prepared for the City under this Agreement, and all goodwill relating to them, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law. Consultant will, and will cause all of its Subcontractors, employees, agents and other persons within its control to, execute all documents and perform all acts that the City may reasonably request in order to assist the City in perfecting its rights in and to the copyrights relating to the Deliverables, at the sole expense of the City. Consultant warrants to the City, its successors and assigns, that on the date of transfer Consultant is the lawful owner of good and marketable title in and to the copyrights for the Deliverables and has the legal rights to fully assign them. Consultant further warrants that it has not assigned and will not assign any copyrights and that it has not granted and will not grant any licenses, exclusive or nonexclusive, to any other party, and that it is not a party to any other agreements or subject to any other restrictions with respect to the Deliverables. Consultant warrants that the Deliverables are complete, entire and comprehensive, and that the Deliverables constitute a work of original authorship.

### **3.07 Records and Audits**

#### **A. Records**

(i) Consultant must deliver or cause to be delivered to the City all documents, including all Deliverables prepared for the City under the terms of this Agreement, promptly in accordance with the time limits prescribed in this Agreement, and if no time limit is specified, then upon reasonable demand for them or upon termination or completion of the Services under this Agreement. If Consultant fails to make such delivery upon demand, then Consultant must pay to the City any damages the City may sustain by reason of Consultant's failure.

(ii) Consultant must maintain any such records including Deliverables not delivered to the City or demanded by the City for a period of 5 years after the final payment made in connection with this Agreement. Consultant must not dispose of such documents following the expiration of this period without notification of and written approval from the City in accordance with Article 12.

#### **B. Audits**

(i) Consultant and any of Consultant's Subcontractors must furnish the Department with all information that may be requested pertaining to the performance and cost of the Services. Consultant must maintain records showing actual time devoted and costs incurred. Consultant must keep books, documents, papers, records and accounts in connection with the Services open to audit, inspection, copying, abstracting and

transcription and must make these records available to the City and any other interested governmental agency, at reasonable times during the performance of its Services.

(ii) To the extent that Consultant conducts any business operations separate and apart from the Services required under this Agreement using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, then Consultant must maintain and make similarly available to the City detailed records supporting Consultant's allocation to this Agreement of the costs and expenses attributable to any such shared usages.

(iii) Consultant must maintain its books, records, documents and other evidence and adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

(iv) No provision in this Agreement granting the City a right of access to records and documents is intended to impair, limit or affect any right of access to such records and documents which the City would have had in the absence of such provisions.

(v) The City may in its sole discretion audit the records of Consultant or its Subcontractors, or both, at any time during the term of this Agreement or within five years after the Agreement ends, in connection with the goods, work, or Services provided under this Agreement. Each calendar year or partial calendar year is considered an "audited period." If, as a result of any such audit, it is determined that Consultant or any of its Subcontractors has overcharged the City in the audited period, the City will notify Consultant. Consultant must then promptly reimburse the City for any amounts the City has paid Consultant due to the overcharges and also some or all of the cost of the audit, as follows:

- (a) If the audit has revealed overcharges to the City representing less than 5% of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then the Consultant must reimburse the City for 50% of the cost of the audit and 50% of the cost of each subsequent audit that the City conducts;
- (b) If, however, the audit has revealed overcharges to the City representing 5% or more of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then Consultant must reimburse the City for the full cost of the audit and of each subsequent audit.

Failure of Consultant to reimburse the City in accordance with subsection (a) or (b) above is an event of default under Section 10.01 of this Agreement, and Consultant will be liable for all of the City's costs of collection, including any court costs and attorneys' fees.

### **3.08 Subcontracts and Assignments**

**A.** Consultant must not assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement: (i) unless otherwise provided for elsewhere in this Agreement; or (ii) without the express written consent of the CPO and the City Comptroller and Corporation Counsel. The absence of such a provision or written consent voids the attempted assignment, delegation or transfer and is of no effect as to the Services or this Agreement. No approvals given by the CPO, including approvals for the use of any Subcontractors, operate to relieve Consultant of any of its obligations or liabilities under this Agreement.

**B.** All Subcontractors are subject to the prior approval of the CPO. Approval for the use of any Subcontractor in performance of the Services is conditioned upon performance by the Subcontractor in accordance with the terms and conditions of this Agreement. If any Subcontractor fails to perform the Services in accordance with the terms and conditions of this Agreement to the satisfaction of the City Comptroller and Corporation Counsel, the City has the absolute right upon written notification to immediately rescind approval and to require the performance of this Agreement by Consultant personally or through any other City-approved Subcontractor. Any approval for the use of Subcontractors in the performance of the Services under this Agreement under no circumstances operates to relieve Consultant of any of its obligations or liabilities under this Agreement.

**C.** Consultant, upon entering into any agreement with a Subcontractor, must furnish upon request of the CPO or the Department a copy of its agreement. Consultant must ensure that all subcontracts contain provisions that require the Services be performed in strict accordance with the requirements of this Agreement, provide that the Subcontractors are subject to all the terms of this Agreement and are subject to the approval of the City Comptroller and Corporation Counsel and the CPO. If the agreements do not prejudice any of the City's rights under this Agreement, such agreements may contain different provisions than are provided in this Agreement with respect to extensions of schedule, time of completion, payments, guarantees and matters not affecting the quality of the Services.

**D.** Consultant must not transfer or assign any funds or claims due or to become due under this Agreement without the prior written approval of the CPO. The attempted transfer or assignment of any funds, either in whole or in part, or any interest in them, which are due or to become due to Consultant under this Agreement, without such prior written approval, has no effect upon the City.

**E.** Under § 2-92-245 of the Municipal Code, the CPO may make direct payments to Subcontractors for Services performed under this Agreement. Any such payment has the same effect as if the City had paid Consultant that amount directly. Such payment by the City to Consultant's Subcontractor under no circumstances operates to relieve Consultant of any of its obligations or liabilities under this Agreement. This section is solely for the benefit of the City and does not grant any third party beneficiary rights.

**F.** The City reserves the right to assign or otherwise transfer all or any part of its interests under this Agreement to any successor.

### **3.09 Confidentiality**

**A.** All Deliverables and reports, data, findings or information in any form prepared, assembled or encountered by or provided by Consultant under this Agreement are property of the City and are confidential, except as specifically authorized in this Agreement or as may be required by law. Consultant must not allow the Deliverables to be made available to any other individual or organization without the prior written consent of the City. Further, all documents and other information provided to Consultant by the City are confidential and must not be made available to any other individual or organization without the prior written consent of the City. Consultant must implement such measures as may be necessary to ensure that its staff and its Subcontractors are bound by the confidentiality provisions in this Agreement.

**B.** Consultant must not issue any publicity news releases or grant press interviews, and except as may be required by law during or after the performance of this Agreement, disseminate any information regarding its Services or the project to which the Services pertain without the prior written consent of the City Comptroller and Corporation Counsel.

**C.** If Consultant is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data or documents which may be in Consultant's possession by reason of this Agreement, Consultant must immediately give notice to the City Comptroller and the Corporation Counsel for the City with the understanding that the City will have the opportunity to contest such process by any means available to it before the records, data or documents are submitted to a court or other third party. Consultant, however, is not obligated to withhold the delivery beyond the time ordered by a court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

### **3.10 City's Policies and Procedures**

Consultant covenants that it, the Consultant personnel, Subcontractors of Consultant and their respective employees, and all other agents and representatives of Consultant or its Subcontractors, shall at all times comply with and abide by all policies and procedures of City (as such may exist or be revised or established by City from time to time) that reasonably pertain to Consultant in connection with Consultant's performance hereunder, including all such policies that pertain to conduct on City's premises, use or possession of contraband, or the access to, or security and confidentiality of, City's information technology, data, or resources, or related systems, networks, equipment, property, or facilities. No such policies shall override the express provisions of this Agreement relating to ownership of Consultant's proprietary information. Written copies of such policies and procedures shall be provided to Consultant by City upon request. Prior to performing Services hereunder, each of the Consultant personnel who will have access to City's data, software, or Confidential Information shall execute City's standard form confidentiality agreements. Consultant shall issue to each Consultant personnel appropriate access mechanisms (e.g., access IDs, passwords, and access cards), which mechanisms shall be used only by the specific individuals to whom issued. Consultant shall provide each Consultant personnel with only the level of access that is appropriate and required to perform the tasks and functions for which such person is responsible. Consultant shall, from time to time, and promptly upon City's request, provide City with an updated list of those Consultant personnel who have the highest level of access to City's systems, software and data. Consultant shall

maintain and ensure the confidentiality and security of City's information systems, networks, software and data in accordance with the terms of this Agreement, and shall, in any event, treat all such materials with a level of security at least equivalent to that then being maintained by: (i) City with respect to such materials; and (ii) Consultant with respect to its own similar systems and data. Consultant shall cooperate with City in ensuring Consultant's compliance with the policies and procedures described in this Section 3.10, and any violations or disregard of such policies or procedures shall, in addition to all other available rights and remedies of City, be cause for denial of access or use by the applicable Consultant personnel to City's information systems, networks, equipment, property and facilities.

#### **ARTICLE 4. DURATION OF AGREEMENT**

##### **4.01 Term of Performance**

This Agreement will take effect January 1, 2007 and will continue through December 31, 2013 or until the Agreement is terminated in accordance with its terms, whichever occurs first.

##### **4.02 Timeliness of Performance**

(a) Consultant must provide the Services and Deliverables within the time limits required under any Task Order pursuant to the provisions of Section 3.01 and Exhibit 1. **Further, Consultant acknowledges that TIME IS OF THE ESSENCE and that the failure of Consultant to comply with the required time limits may result in economic or other losses to the City.**

(b) Neither Consultant nor Consultant's agents, employees or Subcontractors is entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other losses or expenses incurred by Consultant by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

##### **4.03 Agreement Extension Option**

The Chief Procurement Officer may at any time before this Agreement expires elect to extend this Agreement for up to 3 additional one-year periods under the same terms and conditions as this original Agreement, except as provided otherwise in this Agreement, by notice in writing to Consultant. After notification by the Chief Procurement Officer, this Agreement must be modified to reflect the time extension in accordance with the provisions of Section 11.03.

#### **ARTICLE 5. COMPENSATION**

##### **5.01 Basis of Payment**

Each Task Order Request will specify the basis of payment for the satisfactory performance of the Services requested and will either be lump sum, hourly rate, time and materials with a guaranteed maximum price or such other method as specified in the Task Order

Request. In each case where the Consultant is to be compensated based on an hourly rate, the Budget will specify a maximum payment that cannot be exceeded without an amendment.

The City will pay Consultant for completed Services and accepted Deliverables based on the defined basis of payment and in accordance with the Compensation Schedule shown in Exhibit 1 for each TOR.

#### **5.02 Budget for Services**

As provided in Section 3.01, the Consultant will prepare a Cost Proposal as part of each Proposal. The Cost Proposal for each Proposal will be deemed approved upon approval of the Task Order. The Consultant will prepare its Cost Proposal in accordance with the basis of payment specified in the applicable Task Order Request, either lump sum, hourly rate, or time and materials with a guaranteed maximum price or such other method as specified in the Task Order Request. If a time and materials basis is specified, the Consultant will estimate the number of hours to complete the project and calculate the guaranteed maximum price based upon its Fully-Loaded Hourly Rates. A Cost Proposal which does not conform to the specified basis of payment may be cause for rejection of the Proposal.

#### **5.03 Method of Payment**

The method of payment depends on the basis of payment. The method of payment will be specified in the Task Order Request. Payment will be made using the following processes:

For lump sum compensation, the Consultant will submit periodic invoices which may prorate the lump sum on the basis of milestone Deliverables provided. For hourly rate compensation (time and materials), the Consultant will submit monthly invoices for the hours and direct costs incurred during the month and will explain any variances from the Budget.

The Project Documents will specify a percentage of the compensation that will be retained by the City from every invoice until all Deliverables have been accepted as provided in this Agreement ("Retainage"). In no event shall the Retainage be less than 10%. The Project Documents may specify a higher Retainage percentage.

All invoices will be submitted in a format and detail acceptable to the City. Upon request by the City, the Consultant will supply original time sheets, payroll registers, invoices, and such other documentation as may be necessary to support the amount invoiced. No invoices will be submitted for under \$500.00 unless they are submitted for final payment/project close-out. If Consultant has an invoice for less than \$500 and it is not the final payment/project close-out, the Consultant will hold the invoice and submit it the next time the total exceeds \$500.

The City will process invoices for payment within 60 days after receipt of properly completed and signed invoices accompanied by all necessary supporting documents verifying all costs related to each TOR.

#### **5.04 Funding**

Any payments under this Agreement will be made from the Law Department Fund No. 100- 99-100-2005-4431-0142 from and from the Finance Department Fund No. 005-0100-099-2005-0142-0142 and various other funds and are subject to the appropriation and availability of funds therein. The maximum amount to be encumbered under this fund for disbursement pursuant to this Agreement (“Maximum Compensation”) must not exceed \$8,000,000.00 without an amendment to this Agreement in accordance with Section 11.03 hereof. The Consultant will not be entitled to any unexpended funds.

#### **5.05 Non-Appropriation**

If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, then the City will notify Consultant in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Payments for Services completed to the date of notification will be made to Consultant except that no payments will be made or due to Consultant under this Agreement beyond those amounts appropriated and budgeted by the City to fund payments under this Agreement.

#### **5.06 Subcontractor Payments**

Consultant must submit a status report of Subcontractor payments with each invoice for the duration of the Agreement on the “Subcontractor Payment Certification” form required by the City. The form can be downloaded from the City’s website at [http://egov.cityofchicago.org/webportal/COCWebPortal/COC\\_EDITORIAL/subcompliance.pdf](http://egov.cityofchicago.org/webportal/COCWebPortal/COC_EDITORIAL/subcompliance.pdf). The statement must list the following for Consultant and for each Subcontractor and supplier for the period for which payment is requested:

- (i) Total amount invoiced by the Consultant for the prior month;
- (ii) The name of each particular Subcontractor or supplier utilized during the prior month;
- (iii) Indication if the Subcontractor or supplier is acting as an MBE, WBE, DBE, or non-certified firm on this Agreement;
- (iv) The vendor/supplier number of each Subcontractor or supplier;
- (v) Total amount invoiced that is to be paid to each Subcontractor or supplier.

If a Subcontractor has satisfactorily completed its Work, or provided specified materials in accordance with the requirements of the Agreement, Consultant must pay Subcontractor for such work or materials within fourteen (14) calendar days of Consultant receiving payment from the City.

### **ARTICLE 6. COMPLIANCE WITH ALL LAWS**

#### **6.01 Compliance with All Laws Generally**

- (a) Consultant must observe and comply with all applicable federal, state, county and

municipal laws, statutes, ordinances and executive orders, in effect now or later and whether or not they appear in this Agreement, including those set forth in this Article 6, and Consultant must pay all taxes and obtain all licenses, certificates and other authorizations required by them. Consultant must require all Subcontractors to do so, also. Further, Consultant must execute an Economic Disclosure Statement and Affidavit ("EDS") in the form attached to this Agreement as Exhibit 5. Notwithstanding acceptance by the City of the EDS, Consultant's failure in the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Consultant must promptly update its EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate.

(b) Notwithstanding anything in this Agreement to the contrary, references to a statute or law are considered to be a reference to (i) the statute or law as it may be amended from time to time; (ii) all regulations and rules pertaining to or promulgated pursuant to the statute or law; and (iii) all future statutes, laws, regulations, rules and executive orders pertaining to the same or similar subject matter.

## **6.02 Nondiscrimination**

### **(a) Consultant**

Consultant must comply with applicable federal, state, and local laws and related regulations prohibiting discrimination against individuals and groups.

#### **(i) Federal Requirements**

Consultant must not engage in unlawful employment practices, such as (1) failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to compensation or the terms, conditions, or privileges of the individual's employment, because of the individual's race, color, religion, sex, age, handicap/disability or national origin; or (2) limiting, segregating or classifying Consultant's employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of the individual's race, color, religion, sex, age, handicap/disability or national origin.

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Civil Rights Act of 1964, 42 U.S.C. sec. 2000e *et seq.* (1981), as amended and the Civil Rights Act of 1991, P.L. 102-166. Attention is called to: Exec. Order No. 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000e note, as amended by Exec. Order No. 11375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. §§ 6101-6106 (1981); Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34; Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794 (1981); Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; 41 C.F.R. Part 60 *et seq.* (1990); and all other applicable federal statutes, regulations and other laws.

**(ii) State Requirements**

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* (1990), as amended and any rules and regulations promulgated in accordance with it, including the Equal Employment Opportunity Clause, 44 Ill. Admin. Code § 750 Appendix A. Furthermore, Consultant must comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.* (1990), as amended, and all other applicable state statutes, regulations and other laws.

**(iii) City Requirements**

Consultant must comply with, and the procedures Consultant utilizes and the Services Consultant provides under this Agreement must comply with, the Chicago Human Rights Ordinance, ch. 2-160, Section 2-160-010 *et seq.* of the Municipal Code of Chicago (1990), as amended, and all other applicable City ordinances and rules.

**(b) Subcontractors**

Consultant must incorporate all of this Section 6.02 by reference in all agreements entered into with any suppliers of materials, furnisher of services, Subcontractors of any tier, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any such materials, labor or services in connection with this Agreement. Further, Consultant must furnish and must cause each of its Subcontractor(s) to furnish such reports and information as requested by the federal, state, and local agencies charged with enforcing such laws and regulations, including the Chicago Commission on Human Relations.

**6.03 Inspector General**

It is the duty of any bidder, proposer or Consultant, all Subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Consultant, Subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code of Chicago. Consultant understands and will abide by all provisions of Chapter 2-56 of the Municipal Code of Chicago. All subcontracts must inform Subcontractors of the provision and require understanding and compliance with it.

**6.04 MacBride Ordinance**

The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

In accordance with Section 2-92-580 of the Municipal Code of the City of Chicago, if the primary consultant conducts any business operations in Northern Ireland, the consultant must

make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

The provisions of this Section 6.04. do not apply to contracts for which the City receives funds administered by the United States Department of Transportation, except to the extent Congress has directed that the Department of Transportation not withhold funds from states and localities that choose to implement selective purchasing policies based on agreement to comply with the MacBride Principles for Northern Ireland, or to the extent that such funds are not otherwise withheld by the Department of Transportation.

#### **6.05 Business Relationships with Elected Officials**

Pursuant to Section 2-156-030(b) of the Municipal Code of the City of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. **Violation of Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement.** The term business relationship is defined as set forth in Section 2-156-080 of the Municipal Code of Chicago.

Section 2-156-080 defines a “**business relationship**” as any contractual or other private business dealing of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A “contractual or other private business dealing” shall not include any employment relationship of an official’s spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

#### **6.06 Chicago “Living Wage” Ordinance**

(a) Section 2-92-610 of the Municipal Code provides for a living wage for certain categories of workers employed in the performance of City contracts, specifically non-City employed security guards, parking attendants, day laborers, home and health care workers, cashiers, elevator operators, custodial workers and clerical workers (“**Covered Employees**”). Accordingly, pursuant to Section 2-92-610 and regulations promulgated under it:

- (i) If Consultant has 25 or more full-time employees, and
  - (ii) If at any time during the performance of this Agreement, Consultant and/or any Subcontractor or any other entity that provides any portion of the Services (collectively "**Performing Parties**") uses 25 or more full-time security guards, or any number of other full-time Covered Employees, then
  - (iii) Consultant must pay its Covered Employees, and must ensure that all other Performing Parties pay their Covered Employees, not less than the minimum hourly rate as determined in accordance with this provision (the "**Base Wage**") for all Services performed under this Agreement.
- (b) Consultant's obligation to pay, and to ensure payment of, the Base Wage will begin at any time during the term of this Agreement when the conditions set forth in (a)(i) and (a)(ii) above are met, and will continue until the end of the term of this Agreement.
- (c) As of July 1, 2006, the Base Wage is \$10.00 per hour, and each July 1 thereafter, the Base Wage will be adjusted using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. The currently applicable Base Wage is available from the Department of Procurement Services. At all times during the term of this Agreement, Consultant and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then Consultant and all other Performing Parties must pay the prevailing wage rates.
- (d) Consultant must include provisions in all subcontracts requiring its Subcontractors to pay the Base Wage to Covered Employees. Consultant agrees to provide the City with documentation acceptable to the CPO demonstrating that all Covered Employees, whether employed by Consultant or by a Subcontractor, have been paid the Base Wage, upon the City's request for such documentation. The City may independently audit Consultant and/or Subcontractors to verify compliance with this section. Failure to comply with the requirements of this section will be an event of default under this Agreement, and further, failure to comply may result in ineligibility for any award of a City contract or subcontract for up to 3 years.
- (e) Not-for-Profit Corporations: If Consultant is a corporation having federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is recognized under Illinois not-for-profit law, then the provisions of subsections (a) through (d) above do not apply.

#### **6.07 Environmental Warranties and Representations**

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Consultant warrants and represents that it, and to the best of its knowledge, its subcontractors have not violated and are not in violation of the following sections of the Code (collectively, the Waste

Sections):

7-28-390 Dumping on public way;  
7-28-440 Dumping on real estate without permit;  
11-4-1410 Disposal in waters prohibited;  
11-4-1420 Ballast tank, bilge tank or other discharge;  
11-4-1450 Gas manufacturing residue;  
11-4-1500 Treatment and disposal of solid or liquid waste;  
11-4-1530 Compliance with rules and regulations required;  
11-4-1550 Operational requirements; and  
11-4-1560 Screening requirements.

During the period while this Agreement is executory, Consultant's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the CPO. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit Consultant's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect Consultant's eligibility for future contract awards.

#### **6.08 Prohibition on Certain Contributions**

Consultant agrees that Consultant, any person or entity who directly or indirectly has an ownership or beneficial interest in Consultant of more than 7.5 percent ("**Owners**"), spouses and domestic partners of such Owners, Consultant's subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any subcontractor of more than 7.5 percent ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Consultant and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall not make a contribution of any amount to the Mayor of the City of Chicago ("**Mayor**") or to his political fundraising committee (i) after execution of this Agreement by Consultant, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Consultant and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Consultant represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached Consultant or the date Consultant approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Consultant agrees that it shall not: (a) coerce, compel or intimidate its employees to

make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Consultant agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Consultant agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Consultant violates this provision or Mayoral Executive Order No. 05-1 prior to award of the Agreement resulting from this specification, the CPO may reject Consultant's bid.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Consultant is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the city council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.
  - 2. The partners have common or joint ownership of a residence.
  - 3. The partners have at least two of the following arrangements:
    - a. joint ownership of a motor vehicle;

- b. a joint credit account;
  - c. a joint checking account;
  - d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal code of Chicago, as amended."

#### **6.09 Firms Owned or Operated by Individuals with Disabilities**

The City encourages consultants to use Subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

#### **6.10 Deemed Inclusion**

Provision(s) required by law, ordinances, rules, regulations, or executive orders to be inserted will be deemed inserted whether or not they appear in this Agreement or, upon application by either party, this Agreement will forthwith be amended to literally make such insertion; however, in no event will the failure to insert such provision(s) prevent the enforcement of this Agreement.

#### **6.11 False Statements**

- (a) 1-21-010 False Statements

Any person who knowingly makes a false statement of material fact to the city in violation of any statute, ordinance or regulation, or who knowingly falsifies any statement of material fact made in connection with an application, report, affidavit, oath, or attestation, including a statement of material fact made in connection with a bid, proposal, contract or economic disclosure statement or affidavit, is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains because of the person's violation of this section. A person who violates this section shall also be liable for the city's litigation and collection costs and attorney's fees.

The penalties imposed by this section shall be in addition to any other penalty provided for in the municipal code. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (b) 1-21-020 Aiding and abetting.

Any person who aids, abets, incites, compels or coerces the doing of any act prohibited by this chapter shall be liable to the city for the same penalties for the violation. (Added Coun. J. 12-15-04, p. 39915, § 1)

- (c) 1-21-030 Enforcement.

In addition to any other means authorized by law, the corporation counsel may enforce this chapter by instituting an action with the department of administrative hearings. (Added Coun. J. 12-15-04, p. 39915, § 1)

## **ARTICLE 7. SPECIAL CONDITIONS**

### **7.01 Warranties and Representations**

In connection with signing and carrying out this Agreement, Consultant:

- (a) warrants that Consultant is appropriately licensed under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license is required by law and for which Consultant is not appropriately licensed;
- (b) warrants it is financially solvent; it and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Agreement; and Consultant is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;
- (c) warrants that it will not knowingly use the services of any ineligible contractor or Subcontractor for any purpose in the performance of its Services under this Agreement;
- (d) warrants that Consultant and its Subcontractors are not in default at the time this Agreement is signed, and have not been deemed by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the City ;
- (e) represents that it has carefully examined and analyzed the provisions and requirements of this Agreement; it understands the nature of the Services required; from its own analysis it has satisfied itself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and Consultant warrants it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;
- (f) represents that Consultant and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of § 2-92-320 of the Municipal Code , and in connection with it, and additionally in connection with the Illinois Criminal Code, 720 ILCS 5/33E as amended, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;
- (g) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 10.02 and 10.03 of this Agreement; and
- (h) warrants and represents that neither Consultant nor an Affiliate of Consultant (as defined below) appears on the Specially Designated Nationals List, the Denied Persons List, the

unverified List, the Entity List, or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce (or their successors), or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment. "Affiliate of Consultant" means a person or entity that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with Consultant. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity (either acting individually or acting jointly or in concert with others) whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**a. Representations; Covenants**

A. Consultant represents to the City that:

(i) it is a limited liability corporation duly incorporated, validly existing and in good standing under the laws of Illinois;

(ii) it has the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and it is financially solvent;

(iii) the execution, delivery and performance of this Agreement have been duly authorized by the Consultant;

(iv) no approval, authorization, or consent of any governmental or regulatory authority is required to be obtained or made by Consultant in order for it to enter into and perform its obligations under this Agreement;

(v) it has obtained all applicable permits, rights, and licenses required in connection with Consultant performing its obligations hereunder;

(vi) it and each of its employees, agents, subcontractors of any tier are skilled and experienced in the activity to be performed by such person and competent to perform the Services required under this Agreement;

(vii) its Proposal, including but not limited to its statements and representations that it holds itself to very high standards of quality and professionalism, was accurate at the time it was made and no material changes in it have been made nor will be made without notice to and the express written consent of the City;

(viii) it is not in default at the time of the execution of this Agreement and has not been deemed by the CPO with five years immediately preceding the date of this Agreement to be in default on any contract awarded by the City; and

(ix) it is not deemed to be ineligible and will not knowingly use the services of any consultant or consultant deemed to be ineligible for contracts by any federal, state, or local governmental agency for any purpose in the performance of its Services under this Agreement;

(x) it and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of § 2-92-320 of the Municipal Code, and in connection with it, and additionally in connection with the Illinois Criminal Code, 720 ILCS 5/33E as amended, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;

(xi) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 10.01 and 10.02 of this Agreement; and

(xii) neither Consultant nor an Affiliate of Consultant (as defined below) appears on the Specially Designated Nationals List, the Denied Persons List, the unverified List, the Entity List, or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce (or their successors), or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment. "Affiliate of Consultant" means a person or entity that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with Consultant. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity (either acting individually or acting jointly or in concert with others) whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

B. Consultant covenants to the City that:

(i) it will comply with all applicable federal, state, and local laws and regulations;

(ii) it will obtain all applicable permits, rights and licenses required in connection with the Consultant performing its obligations hereunder;

(iii) the Services and any software used by the Consultant in providing the Services and the Deliverables will not infringe upon the trademark, copyright, trade secrets or other proprietary rights of any third party; and

(iv) it will not, directly or through a third party, remove, alter, change or interface with the Deliverables for any purpose of preventing the City from utilizing the Deliverables.

**b. Warranty**

A. For Deliverables provided in response to a TOR, Consultant represents and warrants that:

1. The Services provided hereunder shall be performed in a professional and workmanlike manner, in accordance with applicable professional standards.

2. The Deliverables provided under any Task Order will conform in all respects to the Task Order Request and Documentation and shall be free of errors or defects in design, material and workmanship.

3. The media furnished by the Consultant on which any of the Deliverables are furnished shall be free from defects in materials and workmanship under normal use for a period of 90 days from Acceptance. Consultant must, at its expense, replace any defective media within 10 days after the City notifies Consultant.

B. The Consultant represents and warrants that all Deliverables:

(i) correctly and accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries and leap year calculations;

(ii) respond to two digit date input in a way that resolves the ambiguity as to century in a disclosed, defined and pre-determined manner; and

(iii) store and provide output of date information in ways that are unambiguous as to century.

C. The warranties contained in this section will continue for a period of one year ("Warranty Period") after Acceptance (unless otherwise specified in this section or the Project Documents). If the City notifies the Consultant, or the Consultant becomes aware, of any non-performance, error or defect covered by the foregoing warranties within the Warranty Period, the Consultant shall, at its expense, promptly correct such nonperformance, error or defect, but in no event later than 30 days after notification by the City. Any repair or replacement of Deliverables or portions thereof will be additionally and automatically warranted as set forth herein. All warranties will survive inspection, acceptance and payment.

c. **No Other Rights Limited**

Nothing in the foregoing warranties will be construed to limit any other rights or remedies otherwise available to the City under this Agreement.

## **7.02 Ethics**

(a) In addition to the foregoing warranties and representations, Consultant warrants:

(i) no officer, agent or employee of the City is employed by Consultant or has a financial interest directly or indirectly in this Agreement or the compensation to be paid under this Agreement except as may be permitted in writing by the Board of Ethics established under Chapter 2-156 of the Municipal Code .

(ii) no payment, gratuity or offer of employment will be made in connection with this Agreement by or on behalf of any Subcontractors to Consultant or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

(b) Consultant further acknowledges that any Agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156 is voidable as to the City.

### **7.03 Joint and Several Liability**

In the event that Consultant, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof), then and in that event, each and every obligation or undertaking herein stated to be fulfilled or performed by Consultant will be the joint and several obligation or undertaking of each such individual or other legal entity.

### **7.04 Business Documents**

At the request of the City, Consultant must provide copies of its latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable.

### **7.05 Conflicts of Interest**

A. No member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains is permitted to have any personal interest, direct or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee is allowed to be admitted to any share or part of this Agreement or to any financial benefit to arise from it.

B. Consultant represents that it, and to the best of its knowledge, its Subcontractors if any (Consultant and Subcontractors will be collectively referred to in this Section 7.05 as "**Contracting Parties**"), presently have no direct or indirect interest and will not acquire any direct or indirect interest in any project or contract that would conflict in any manner or degree with the performance of its Services under this Agreement.

C. Upon the request of the City, Contracting Parties must disclose to the City their past client lists and the names of any clients with whom they have an ongoing relationship. Contracting Parties are not permitted to perform any Services for the City on applications or other documents submitted to the City by any of Contracting Parties' past or present clients. If Contracting Parties become aware of a conflict, they must immediately stop work on the assignment causing the conflict and notify the City.

D. Without limiting the foregoing, if the Contracting Parties assist the City in

determining the advisability or feasibility of a project or in recommending, researching, preparing, drafting or issuing a request for proposals or bid specifications for a project, the Contracting Parties must not participate, directly or indirectly, as a prime, subcontractor or joint venturer in that project or in the preparation of a proposal or bid for that project during the term of this Agreement or afterwards. The Contracting Parties may, however, assist the City in reviewing the proposals or bids for the project if none of the Contracting Parties have a relationship with the persons or entities that submitted the proposals or bids for that project.

E. Further, Contracting Parties must not assign any person having any conflicting interest to perform any Services under this Agreement or have access to any confidential information, as described in Section 3.09 of this Agreement. If the City, by the City Comptroller and Corporation Counsel in his reasonable judgment, determines that any of Contracting Parties' services for others conflict with the Services that Contracting Parties are to render for the City under this Agreement, Contracting Parties must terminate such other services immediately upon request of the City.

F. Furthermore, if any federal funds are to be used to compensate or reimburse Consultant under this Agreement, Consultant represents that it is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990, 31 U.S.C. § 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended. If federal funds are to be used, Consultant must execute a Certification Regarding Lobbying, which is part of the EDS and incorporated by reference as if fully set forth here.

#### **7.06 Non-liability of Public Officials**

No official, employee or agent of the City will be charged personally by Consultant, or by any assignee or Subcontractor of the Consultant, with any liability or expenses of defense or be held personally liable to them under any term of provision of this Agreement, or because of the City's execution or attempted execution, or because of any breach hereof.

#### **7.07 EDS / Certification Regarding Suspension and Debarment**

Consultant certifies, as further evidenced in the EDS attached as Exhibit 5, by its acceptance of this Agreement that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If Consultant or any lower tier participant is unable to certify to this statement, it must attach an explanation to the Agreement.

### **ARTICLE 8. RISK MANAGEMENT**

#### **8.01 Consultant's Insurance**

Consultant must provide and maintain at Consultant's own expense, until contract completion and during the time period following completion if Consultant is required to return and perform any additional work, the insurance coverages and requirements specified in Exhibit 3, insuring all operations related to the Agreement.

## **8.02 Indemnification**

### **A. General Indemnification**

1. Consultant must defend, indemnify, and hold harmless the City, its officers, representatives, elected and appointed officials, agents and employees from and against any and all Losses, including those related to:

- (a) injury, death or damage of or to any person or property;
- (b) Consultant's failure to perform or cause to be performed Consultant's promises and obligations as and when required under this Agreement, including Consultant's failure to perform its obligations to any Subcontractor;
- (c) the City's exercise of its rights and remedies under Section 10.02 of this Agreement; and
- (d) injuries to or death of any employee of Consultant or any Subcontractor under any workers compensation statute.

2. "Losses" means, individually and collectively, liabilities of every kind, including losses, damages and reasonable costs, payments and expenses (such as, but not limited to, court costs and reasonable attorneys' fees and disbursements), claims, demands, actions, suits, proceedings, judgments or settlements, any or all of which in any way arise out of or relate to Consultant's breach of this Agreement or to Consultant's negligent or otherwise wrongful acts or omissions or those of its officers, agents, employees, consultants, Subcontractors or licensees.

3. At the City Corporation Counsel's option, Consultant must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Consultant of any of its obligations under this Agreement. Any settlement must be made only with the prior written consent of the City Corporation Counsel, if the settlement requires any action on the part of the City.

4. To the extent permissible by law, Consultant waives any limits on its obligations to defend, indemnify, hold harmless, or contribute to any sums due under any Losses, including any claim by any employee of Consultant that may be subject to the Workers Compensation Act, 820 ILCS 305/1 *et seq.* or any other law or judicial decision (such as, Kotecki v. Cyclops Welding Corporation, 146 Ill.2d 155 (1991)). The City, however, does not waive any limitations

it may have on its liability under the Illinois Workers Compensation Act, the Illinois Pension Code, or any other statute or judicial decision.

5. The indemnities in this section survive the expiration or termination of this Agreement for matters occurring or arising during the term of this Agreement or as the result of or during Consultant's performance of Services beyond the term. Consultant acknowledges that the requirements set forth in this section to defend, indemnify, and hold harmless the City are apart from and not limited by the Consultant's duties under this Agreement, including the insurance requirements in Exhibit 3 of this Agreement.

#### **B. Proprietary Rights Indemnification**

1. The Consultant will indemnify, defend and hold completely harmless the City Indemnitees from and against any Losses relating to or arising out of infringement or alleged infringement by any part of the Consultant's Deliverables of any patent or copyright or other proprietary rights, provided however, that this indemnification provision will (i) not apply to an infringement or alleged infringement caused by any modification or alteration of the Consultant's Deliverables not approved by Consultant, if, but only to the extent that, the infringement would not have occurred but for such modification or alteration.

2. Promptly after the Consultant receives written notice of any claim, action, suit or proceeding which is subject to indemnification under this Section, Consultant must: (i) notify the City that Consultant will undertake the defense thereof, and (ii) retain legal counsel reasonably satisfactory to the City to conduct the defense thereof. The Consultant and the City will cooperate with the party which undertakes the defense of such claim, action, suit or proceeding in any manner that such party reasonably requests of the other. In the event that the Consultant fails to undertake its defense or subsequently abandons its defense, the City may (but is not obligated to) defend, compromise or settle such claim, action, suit or proceeding at Consultant's expense. The Consultant will not compromise or settle any claim, action, suit or proceeding in which any relief other than the payment of money damages is sought against the City without the prior written consent of the City.

3. In the event of any claim, action, suit or proceeding, the Consultant will: (i) successfully defend such, or (ii) obtain the right for the City to continue using the infringing product or proprietary property, or (iii) modify the Consultant's Deliverables at Consultant's cost to make it non-infringing, without material loss of function or utility and without a material increase in operating costs, or (iv) replace the infringing vendor material with materials containing at least equivalent functionality as the infringing vendor material.

#### **ARTICLE 9. DISPUTES**

Except as otherwise provided in this Agreement, Consultant must and the City may bring any dispute arising under this Agreement which is not resolved by the parties to the CPO for decision based upon the written submissions of the parties. (A copy of the "Regulations of the Department of Procurement Services for Resolution of Disputes between Contractors and the City of Chicago" is available in City Hall, 121 N. LaSalle Street, Room 301, Bid and Bond

Room, Chicago, Illinois 60602.) The Chief Procurement Officer will issue a written decision and send it to the Consultant by mail. The decision of the CPO is final and binding. The sole and exclusive remedy to challenge the decision of the CPO is judicial review by means of a common law writ of certiorari.

The Consultant will not withhold performance of any Services and the City will not withhold any undisputed payments during the dispute resolution period. The CPO's written determination must be complied with pending any judicial review of the dispute.

## **ARTICLE 10. EVENTS OF DEFAULT, REMEDIES, TERMINATION, SUSPENSION AND RIGHT TO OFFSET**

### **10.01 Events of Default**

#### **A. Defined**

The following constitute events of default:

1. Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Consultant to the City.
2. The Consultant's material failure to perform any of its obligations under the Agreement including, but not limited to, the following:
  - a. Inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
  - b. Failure to comply with a material term of this Agreement, including but not limited to the provisions concerning insurance and nondiscrimination;
  - c. Failure to have and maintain all professional licenses required by law to perform the Services;
  - d. Failure to timely perform the Services;
  - e. Failure to promptly re-perform, as required, within a reasonable time and at no cost to the City, Services that are rejected as erroneous or unsatisfactory;
  - f. Discontinuance of the Services for reasons within Consultant's reasonable control;
  - g. Failure to promptly update EDS(s) furnished in connection with this Agreement when the information or responses contained in it or them is no longer complete or accurate; and



The CPO will give Consultant written notice of the default, either in the form of a cure notice ("Cure Notice"), or, if no opportunity to cure will be granted, a default notice ("Default Notice"). If the CPO gives a Default Notice, he will also indicate any present intent he may have to terminate this Agreement, and the decision to terminate is final and effective upon giving the notice. If the CPO decides not to terminate, this decision will not preclude him from later deciding to terminate the Agreement in a later notice, which will be final and effective upon the giving of the notice or on the date set forth in the notice, whichever is later. The CPO may give a Default Notice if Consultant fails to effect a cure within the cure period given in a Cure Notice. When a Default Notice with intent to terminate is given as provided in this Section 10.01 and Article 12, Consultant must discontinue any Services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process, to the City.

## **10.02 Remedies**

### **A. General**

1. If the vendor has failed to cure a default within the period granted by the CPO, or the CPO has declared an event of default, the City may invoke any or all of the following remedies:

- a. The right to take over and complete the Services, or any part of them, at Consultant's expense and as agent for Consultant, either directly or through others, and bill Consultant for the cost of the Services, and Consultant must pay the difference between the total amount of this bill and the amount the City would have paid Consultant under the terms and conditions of this Agreement for the Services that were assumed by the City as agent for Consultant under this Section 10.02.
- b. The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the City.
- c. The right to seek specific performance, an injunction or any other appropriate equitable remedy.
- d. The right to seek money damages.
- e. The right to withhold all or any part of the Consultant's compensation.
- f. The right to declare the Consultant non-responsible in future contracts with the City.
- g. The right to declare the Consultant in default under existing City contracts.

2. In addition, upon the giving of notice of a declaration of default under a TOR as provided herein, the City may invoke any or all of the following remedies:

- a. The right to take over and complete the Services or any part thereof as agent for and at the cost of the Consultant, either directly or through others.
- b. The right to require the Consultant to discontinue any Services and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process, to the City.

#### **B. City's Reservation of Rights**

If the CPO considers it to be in the City's best interests, he may elect not to declare default or to terminate the Agreement hereunder. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits the Consultant to continue to provide the Services despite one or more events of default, the Consultant will in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor will the City waive or relinquish any of its rights.

#### **C. Remedies Nonexclusive**

The remedies under the terms of the Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy will be cumulative and will be in addition to any other remedies, existing now or hereafter, at law or equity. No delay or omission to exercise any right or power accruing upon any event of default will impair any such right or power nor will it be construed as a waiver of any event of default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

#### **10.03 Early Termination**

(a) In addition to termination under Sections 10.01 and 10.02 of this Agreement, the City may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by a notice in writing from the City to Consultant. The City will give notice to Consultant in accordance with the provisions of Article 12. The effective date of termination will be the date the notice is received by Consultant or the date stated in the notice, whichever is later. If the City elects to terminate this Agreement in full, all Services to be provided under it must cease and all materials that may have been accumulated in performing this Agreement, whether completed or in the process, must be delivered to the City effective 10 days after the date the notice is considered received as provided under Article 12 of this Agreement (if no date is given) or upon the effective date stated in the notice.

(b) After the notice is received, Consultant must restrict its activities, and those of its Subcontractors, to winding down any reports, analyses, or other activities previously begun. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination is on the same basis as set forth in Article 5, but if any compensation is described or provided for on the basis of a period longer than 10 days, then the compensation must be prorated accordingly. No amount

of compensation, however, is permitted for anticipated profits on unperformed Services. The City and Consultant must attempt to agree on the amount of compensation to be paid to Consultant, but if not agreed on, the dispute must be settled in accordance with Article 9 of this Agreement. The payment so made to Consultant is in full settlement for all Services satisfactorily performed under this Agreement.

(c) Consultant must include in its contracts with Subcontractors an early termination provision in form and substance equivalent to this early termination provision to prevent claims against the City arising from termination of subcontracts after the early termination. Consultant will not be entitled to make any early termination claims against the City resulting from any Subcontractor's claims against Consultant or the City.

(d) If the City's election to terminate this Agreement for default under Sections 10.01 and 10.02 is determined in a court of competent jurisdiction to have been wrongful, then in that case the termination is to be considered to be an early termination under this Section 10.03.

#### **10.04 Suspension**

The City may at any time request that Consultant suspend its Services, or any part of them, by giving 15 days prior written notice to Consultant or upon informal oral, or even no notice, in the event of emergency. No costs incurred after the effective date of such suspension are allowed. Consultant must promptly resume its performance of the Services under the same terms and conditions as stated in this Agreement upon written notice by the CPO and such equitable extension of time as may be mutually agreed upon by the CPO and Consultant when necessary for continuation or completion of Services. Any additional costs or expenses actually incurred by Consultant as a result of recommencing the Services must be treated in accordance with the compensation provisions under Article 5 of this Agreement.

No suspension of this Agreement is permitted in the aggregate to exceed a period of 45 days within any one year of this Agreement. If the total number of days of suspension exceeds 45 days, Consultant by written notice to the City may treat the suspension as an early termination of this Agreement under Section 10.03.

#### **10.05 Right to Offset**

(a) In connection with Consultant's performance under this Agreement, the City may offset any incremental costs and other damages the City incurs in any or all of the following circumstances:

- (i) if the City terminates this Agreement for default or any other reason resulting from Consultant's performance or non-performance;
- (ii) if the City exercises any of its remedies under Section 10.02 of this Agreement;

(iii) if the City has any credits due or has made any overpayments under this Agreement.

The City may offset these incremental costs and other damages by use of any payment due for Services completed before the City terminated this Agreement or before the City exercised any remedies. If the amount offset is insufficient to cover those incremental costs and other damages, Consultant is liable for and must promptly remit to the City the balance upon written demand for it. This right to offset is in addition to and not a limitation of any other remedies available to the City.

(b) As provided under § 2-92-380 of the Municipal Code, the City may set off from Consultant's compensation under this Agreement an amount equal to the amount of the fines and penalties for each *outstanding parking violation complaint* and the amount of any *debt* owed by Consultant to the City as those italicized terms are defined in the Municipal Code.

(c) In connection with any liquidated or unliquidated claims against Consultant, and without breaching this Agreement, the City may set off a portion of the price or compensation due under this Agreement in an amount equal to the amount of any liquidated or unliquidated claims that the City has against Consultant unrelated to this Agreement. When the City's claims against Consultant are finally adjudicated in a court of competent jurisdiction or otherwise resolved, the City will reimburse Consultant to the extent of the amount the City has offset against this Agreement inconsistently with such determination or resolution.

## **ARTICLE 11. GENERAL CONDITIONS**

### **11.01 Entire Agreement**

#### **A. General**

The Consultant acknowledges that this Agreement, and the Exhibits attached to and incorporated in the Agreement, constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations will be implied or impressed upon this Agreement that are not expressly addressed in the Agreement.

#### **B. No Collateral Inducements**

The Consultant agrees that, except only for those representations, statements, or promises expressly contained in this Agreement, and any exhibits attached to this Agreement and incorporated by reference, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents, or employees, has induced Consultant to enter into this Agreement or has been relied upon by Consultant including any with reference to: (i) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (ii) the nature of the Services to be performed; (iii) the nature, quantity, quality or volume of any materials, equipment, labor and other facilities, needed for the performance of this

Agreement; (iv) the general conditions which may in any way affect this Agreement or its performance; (v) the compensation provisions of the Agreement; or (vi) any other matters, whether similar to or different from those referred to in (i) through (v) immediately above, affecting or having any connection with this Agreement, its negotiation, or its performance.

### **C. No Omissions**

The Consultant agrees that it was given ample opportunity and time to review and was asked by the City to review thoroughly all documents forming this Agreement prior to execution of this Agreement in order that it might request inclusion in this Agreement of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review those documents; and that either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, that Consultant expressly relinquishes the benefit of any omitted statement, representation, promise or provision and is willing to perform this Agreement in its entirety without claiming reliance thereon or making any other claim on account of such omission.

#### **11.02 Counterparts**

This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

#### **11.03 Amendments**

No changes, amendments, modifications or discharge of this Agreement, or any part of it are valid unless in writing and signed by the authorized agent of Consultant and by the Mayor, Comptroller, and CPO of the City or their respective successors and assigns. The City incurs no liability for Additional Services without a written amendment to this Agreement under this Section 11.03.

Whenever under this Agreement Consultant is required to obtain the City's prior written approval, the effect of any approval that may be granted pursuant to Consultant's request is prospective only from the later of the date approval was requested or the date on which the action for which the approval was sought is to begin. In no event is approval permitted to apply retroactively to a date before the approval was requested.

#### **11.04 Governing Law and Jurisdiction**

This Agreement will be governed as to performance and interpretation in accordance with the laws of the State of Illinois. The Consultant irrevocably submits itself to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. The Consultant agrees that service of process on the Consultant may be made, at the option of the City, either by registered or certified mail addressed to the applicable office as provided for in this Agreement, by registered or certified mail addressed to the office actually maintained by the Consultant, or by personal delivery on any officer, director,

or managing or general agent of the Consultant. If any action is brought by the Consultant against the City concerning this Agreement, the action will only be brought in those courts located within the County of Cook, State of Illinois.

#### **11.05 Severability**

If any provision of this Agreement is held or deemed to be or is in fact invalid, illegal, inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions of this Agreement or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, those circumstances do not have the effect of rendering the provision in question invalid, illegal, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions in this Agreement invalid, illegal, inoperative or unenforceable to any extent whatsoever. The invalidity, illegality, inoperativeness or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement does not affect the remaining portions of this Agreement or any part of it.

#### **11.06 Interpretation**

Any headings of this Agreement are for convenience of reference only and do not define or limit its provisions. Words of any gender will be deemed and construed to include correlative words of the other gender. Words importing the singular number will include the plural number and vice versa, unless the context otherwise indicates. All references to any exhibit or document will be deemed to include all supplements and/or amendments to any exhibits or documents entered into in accordance with the terms and conditions of such exhibit or document. All references to any person or entity will be deemed to include any person or entity succeeding to the rights, duties, and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.

#### **11.07 Contract Documents**

In the event of any inconsistency or conflict between the terms and conditions of Articles 1 through 13 of this Agreement and the Exhibits of this Agreement, the Articles of this Agreement will prevail.

#### **11.08 Assigns**

All of the terms and conditions of this Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective legal representatives, successors, transferees and assigns.

#### **11.09 Cooperation**

Consultant must at all times cooperate fully with the City and act in the City's best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, Consultant must make every effort to ensure an orderly transition to another provider of the

Services, if any, orderly demobilization of its own operations in connection with the Services, uninterrupted provision of Services during any transition period and must otherwise comply with the reasonable requests and requirements of the Department in connection with the termination or expiration.

#### **11.10 Waiver**

Nothing in this Agreement authorizes the waiver of a requirement or condition contrary to law or ordinance or that would result in or promote the violation of any federal, state or local law or ordinance.

Whenever under this Agreement the City by a proper authority waives Consultant's performance in any respect or waives a requirement or condition to either the City's or Consultant's performance, the waiver so granted, whether express or implied, only applies to the particular instance and is not a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver is a modification of this Agreement regardless of the number of times the City may have waived the performance, requirement or condition. Such waivers must be provided to Consultant in writing.

#### **11.11 Independent Contractor**

(a) This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between Consultant and the City. The rights and the obligations of the parties are only those set forth in this Agreement. Consultant must perform under this Agreement as an independent contractor and not as a representative, employee, agent, or partner of the City.

(b) This Agreement is between the City and an independent contractor and, if Consultant is an individual, nothing provided for under this Agreement constitutes or implies an employer-employee relationship such that:

(i) The City will not be liable under or by reason of this Agreement for the payment of any compensation award or damages in connection with the Consultant performing the Services required under this Agreement.

(ii) Consultant is not entitled to membership in any City Pension Fund, Group Medical Insurance Program, Group Dental Program, Group Vision Care, Group Life Insurance Program, Deferred Income Program, vacation, sick leave, extended sick leave, or any other benefits ordinarily provided to individuals employed and paid through the regular payrolls of the City.

The City is not required to deduct or withhold any taxes, FICA or other deductions from any compensation provided to Consultant.

#### **11.12 Electronic Ordering and Invoicing**

The Consultant shall cooperate in good faith with the City in implementing electronic ordering and invoicing, including but not limited to catalogs, purchase orders, releases, and invoices. Consultant shall accept electronic purchase orders and releases upon request of the Chief Procurement Officer. Consultant shall provide the City electronic catalogs, copies of invoices and other electronic documents upon request. The electronic ordering and invoice documents shall be in a format specified by the City and transmitted by an electronic means specified by the City. Such electronic means may include, but are not limited to, disks, e-mail, EDI, FTP, web sites, and third party electronic services. The Chief Procurement Officer reserves the right to change the document format and/or the means of transmission upon written notice to the Consultant. Consultant shall ensure that the essential information, as determined by the Chief Procurement Officer, in the electronic document, corresponds to that information submitted by the Consultant in its paper documents. The electronic documents shall be in addition to paper documents required by this contract, however, by written notice to the Consultant, the Chief Procurement Officer may deem any or all of the electronic ordering and invoice documents the official documents and/or eliminate the requirement for paper ordering and invoice documents.

#### **11.13 Participation by Other Local Government Agencies**

Other local government agencies may be eligible to participate in this Agreement pursuant to the terms and conditions of this Agreement if such agencies are authorized, by law or their governing bodies, to execute such purchases, and if such authorization is allowed by the City of Chicago's Chief Procurement Officer, and if such purchases have no net adverse effect on the City of Chicago, and result in no diminished services from the Consultant to the City's user departments pursuant to such purchases. Examples of such Local Government Agencies are: Board of Education, Chicago Park District, City Colleges of Chicago, Chicago Transit Authority, Chicago Housing Authority, Chicago Board of Elections, Metropolitan Pier and Exposition Authority (McCormick Place, Navy Pier), and the Municipal Courts. Said purchases shall be made upon the issuance of a purchase order directly from the Local Government Agency. The City will not be responsible for payment of any amounts owed by any other Local Government Agencies, and will have no liability for the acts or omissions of any other Local Government Agency.

#### **11.14 No Third Party Beneficiaries**

The parties agree that this Agreement is solely for the benefit of the parties and nothing herein is intended to create any third party beneficiary rights for Subcontractors or other third parties.

### **ARTICLE 12. NOTICES**

Notices provided for herein, unless expressly provided for otherwise in this Agreement, will be in writing and may be delivered personally or by placing in the United States mail, first class and certified, return receipt requested, with postage prepaid and addressed as follows:

If to the City: Department of Finance  
33 North LaSalle Street, 6<sup>th</sup> floor  
Chicago, Illinois 60602  
Attention: City Comptroller

Department of Law  
Room 610, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Corporation Counsel

With Copies to: Department of Procurement Services  
Room 403, City Hall  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Chief Procurement Officer

If to Consultant: Maximus, Inc  
1033 Skokie Boulevard, Suite 350  
Northbrook, IL 60062  
Attention: Mr. Bruce Cowans

Changes in the above-referenced addresses must be in writing and delivered in accordance with the provisions of this Article 12.

Notices delivered by mail will be deemed received three (3) days after mailing in accordance with this Section. Notices delivered personally will be deemed effective upon receipt.

## **ARTICLE 13. AUTHORITY**

### **13.01 City Authority**

This Agreement is entered into by the City in accordance with the Municipal Purchasing Act for cities of 500,000 or more population, as contained in 65 ILCS 5/8-10-1 et seq., as amended, and with the Municipal Code of Chicago, as amended.

### **13.02 Consultant's Authority**

Execution of this Agreement by the Consultant is authorized by a resolution of its Board of Directors, if a corporation, and the signature(s) of each person signing on behalf of the Consultant have been made with complete and full authority to commit the Consultant to all terms and conditions of this Agreement, including each and every representation, certification and warranty contained herein, including without limitation such representations, certifications

and warranties collectively attached to this Agreement and incorporated by reference. If this Agreement is executed by an officer other than the chief executive officer of the Consultant, the Consultant will provide a certified resolution of its Board of Directors, if a corporation, granting such officer specific authority to sign this Agreement or general authority to sign agreements of this nature and scope.

IN WITNESS WHEREOF, the City and the Consultant have executed this Agreement on the date first set forth above, at Chicago, Illinois.

**CITY OF CHICAGO**

By: Richard M Daley  
Mayor

Steven J. Luy  
Comptroller

William J. McKinley  
Chief Procurement Officer

**MAXIMUS, INC**

By: Robert P. Sullivan  
President (or Authorized Officer)

Title: \_\_\_\_\_

Attested by: David Francis  
Corporate Secretary

Subscribed and sworn to before me this 11<sup>th</sup> day of May, 2006  
by Robert Sullivan, President and David Francis,  
Corporate Secretary of MAXIMUS, Inc.

Justin D. [Signature]  
Notary Public Signature

My Commission Expires: May 31, 2009

IN WITNESS WHEREOF, the City and the Consultant have executed this Agreement on the date first set forth above, at Chicago, Illinois.

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Mayor

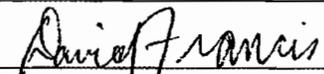
\_\_\_\_\_  
Comptroller

\_\_\_\_\_  
Chief Procurement Officer

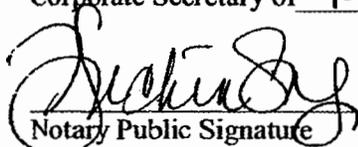
**MAXIMUS, INC**

By:   
President (or Authorized Officer)

Title: \_\_\_\_\_

Attested by:   
Corporate Secretary

Subscribed and sworn to before me this 11<sup>th</sup> day of May, 2006  
by Robert Sullivan, President and David Francis,  
Corporate Secretary of MAXIMUS, Inc.

  
Notary Public Signature

My Commission Expires: May 31, 2009

**EXHIBIT 1**

**SCOPE OF SERVICES & COMPENSATION SCHEDULE**

## **SCOPE OF SERVICES**

The Consultant may submit a Proposal in response to a Task Order Request "TOR" for one or more of the following Financial Service Categories.

### **1. Management Consulting**

The selected Consultant will assist the City in assessing current business practices and systems by researching current processes and identifying areas to be remedied, enhanced or refined. In addition, the consultants may assist in evaluating potential alternatives, designing new systems and formulating an implementation plan as well as developing follow-up procedures to ensure that the plan's objectives are accomplished. Assistance during the implementation phase of the plan may be requested.

Management consulting may include: looking at ways the City currently does things and advise the City on best practices to improve operations; risk assessments; reviews of billings, billing practices, and bidding practices; and operational reviews of various City departments and programs.

### **2. Accounting Services**

The selected Consultant will provide appropriate professional staff and other support as needed to perform specified accounting tasks for various departments as needed. The staff provided may be under direct supervision of City personnel. Procedures could include preparation of cost allocation plans, inventory verification and financial modeling of projections.

### **3. Cost-Benefit Analysis**

The selected Consultant will examine the cost structure of selected City business processes or services and analyze the costs and benefits related to the business processes or services. Recommendations regarding business processes or services will be developed and presented to City management.







**EXHIBIT 2**  
**TASK ORDERS**

## **EXHIBIT 2 TASK ORDERS**

The City Comptroller and Corporation Counsel will provide Consultant with a basic Task Order form after the Agreement is awarded.

All Services must be authorized by a written Task Order. Consultant acknowledges and agrees that the City is under no obligation to issue any Task Orders for Services.

Upon the written approval of the City Comptroller and Corporation Counsel, the Department will issue a Task Order Request specifically referencing this Agreement, identifying the project, and setting forth the Services to be performed pursuant to the proposed Task Order and a desired completion date. Consultant must respond by proposing a time schedule, budget, deliverables and a list of key personnel, all of which must conform to the terms of the Task Order Request and the terms and conditions of this Agreement. Consultant must not respond to any Task Order Request not approved in writing by the City Comptroller and Corporation Counsel. Costs associated with the preparation of Task Orders are not compensable under this Agreement and the City is not liable for any additional costs.

Following Consultant's submission of the Task Order, the City Comptroller and Corporation Counsel and the Chief Procurement Officer will review the Task Order and may elect to approve it, reject it, or use it as a basis for further negotiations with Consultant regarding the scope of the project and the project completion date. If the City and Consultant negotiate the scope of the project and the project completion date, Consultant must submit a revised Task Order (based upon such negotiations) to the City for approval.

All Task Orders are subject to the approval of the Chief Procurement Officer and no Task Order will become binding upon the City until it is approved, in writing, by the Chief Procurement Officer. Absent approval of a Task Order by the Chief Procurement Officer, the City will not be obligated to pay or have any liability, under any theory of recovery (whether under the Agreement, at law or in equity), to Consultant for any Services provided by Consultant pursuant to a Task Order, or otherwise.

If the Services to be performed under a Task Order are to be funded from a fund other than the fund identified by the fund number set forth in this Agreement, such change in funding must be approved by the Chief Procurement Officer and the Comptroller prior to the issuance of any Task Order funded through such fund, and the applicable fund number must be included in the Task Order form provided to Consultant.

Notice to Proceed

Consultant will commence its Services immediately upon receipt of an executed Notice to Proceed issued by the City Comptroller and Corporation Counsel or his authorized designee.

**EXHIBIT 3**

**INSURANCE REQUIREMENTS AND EVIDENCE OF INSURANCE**

## INSURANCE REQUIREMENTS

Department of Finance

Department of Law

Financial Services

Specification No: 42504

The Contractor must provide and maintain at Contractor's own expense, until Contract completion and during the time period following completion if Contractor is required to return and perform any additional work, the insurance coverages and requirements specified below, insuring all operations related to the Contract.

### A. INSURANCE TO BE PROVIDED

#### 1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Contract and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

#### 2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Subcontractors performing Services for Consultant must maintain limits of not less than \$1,000,000 with the same terms in this subsection.

#### 3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor must provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

#### 4) Professional Liability

When any accountants, auditors, benefits consultants, budget consultants, bookkeepers, financial consultants, management consultants, risk management consultants or any other professional consultants perform work in connection with this Contract, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$2,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

Subcontractors performing Services for Consultant must maintain limits of not less than \$1,000,000

with the same terms in this subsection.

5) Valuable Papers

When any media, data, financial reports, records, audit and any other documents are produced or used under this Contract, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

6) Property

Consultant is responsible for all loss or damage to City property at full replacement cost as a result of the Agreement.

Consultant is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by Contractor.

**B. ADDITIONAL REQUIREMENTS**

*The Contractor must furnish the City of Chicago, Department of Procurement Services, City Hall, Room 403, 121 North LaSalle Street, Chicago, IL 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Contract, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Contract. The Contractor must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to Contract award. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Contract have been fully met or that the insurance policies indicated on the certificate are in compliance with all Contract requirements. The failure of the City to obtain certificates or other insurance evidence from Contractor is not a waiver by the City of any requirements for the Contractor to obtain and maintain the specified coverages. The Contractor shall advise all insurers of the Contract provisions regarding insurance. Non-conforming insurance does not relieve Contractor of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Contract, and the City retains the right to stop work until proper evidence of insurance is provided, or the Contract may be terminated.*

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Contractor.

Contractor hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Contractor in no way limit the Contractor's liabilities and responsibilities specified within the Contract or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Contractor under the Contract.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Contract or any limitation placed on the indemnity in this Contract given as a matter of law.

If Contractor is a joint venture or a limited liability company the insurance policies must name the joint venture or limited liability company as a named insured.

The Contractor must require all subcontractors to provide the insurance required herein, or Contractor may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of Contractor unless otherwise specified in this Contract.

If Contractor or subcontractors desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
05/18/07

**PRODUCER**  
MARSH USA INC.  
SUITE 400  
1255 23RD STREET, N.W.  
WASHINGTON, DC 20037  
Attn: SHARON HENNING - T-202-263-7600

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

- COMPANY  
**A** HARTFORD FIRE INSURANCE COMPANY
- COMPANY  
**B** TWIN CITY FIRE INSURANCE COMPANY
- COMPANY  
**C** HARTFORD CASUALTY INSURANCE COMPANY
- COMPANY  
**D**

500625-PONLY-07-08

**INSURED**  
MAXIMUS, INC AND ALL SUBSIDIARIES  
11419 SUNSET HILLS ROAD  
RESTON, VA 20190

**COVERAGES**

This certificate supersedes and replaces any previously issued certificate.

6

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>GENERAL LIABILITY</b>	10 UEN TE5891	05/01/07	05/01/08	GENERAL AGGREGATE \$ 2,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 2,000,000	
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000	
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000	
					FIRE DAMAGE (Any one fire) \$ 300,000	
					MED EXP (Any one person) \$ 10,000	
A	<b>AUTOMOBILE LIABILITY</b>	10 UUN TE6206	05/01/07	05/01/08	COMBINED SINGLE LIMIT \$ 1,000,000	
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$	
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT \$	
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY \$	
					EACH ACCIDENT \$	
					AGGREGATE \$	
C	<b>EXCESS LIABILITY</b>	10 RHU TE5713	05/01/07	05/01/08	EACH OCCURRENCE \$ 1,000,000	
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$ 1,000,000	
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$	
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	10WBRMF5811 (WI)	05/01/07	05/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$ 1,000,000	
	C	<input type="checkbox"/> THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE	<input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	10WNMF5810 (AOS)	05/01/07	05/01/08
						DISEASE - POLICY LIMIT \$ 1,000,000
					DISEASE - EACH EMPLOYEE \$ 1,000,000	
A	<b>OTHER</b> PROPERTY	10 UUN TE6206	05/01/07	05/01/08	REPL COST	

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

RE SPECIFICATION #42504, CONTRACT #PO 14487  
THE CITY OF CHICAGO, ILLINOIS, PURCHASING DEPARTMENT IS INCLUDED AS AN ADDITIONAL INSURED UNDER THE GENERAL LIABILITY COVERAGE ON A PRIMARY AND NON-CONTRIBUTORY BASIS FOR ANY LIABILITY ARISING DIRECTLY OR INDIRECTLY FROM THE WORK PROPERTY COVERAGE PERTAINS TO VALUABLE PAPERS AND RECORDS WAIVER OF SUBROGATION APPLIES IF CONTRACTUALLY REQUIRED

**CERTIFICATE HOLDER** CLE-001563930-08

CITY OF CHICAGO, ILLINOIS  
DEPARTMENT OF PROCUREMENT SERVICES  
ROOM 403  
121 NORTH LASALLE STREET  
CHICAGO, IL 60602

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURANCE COMPANY WILL ENDEAVOR TO MAIL 60 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE  
Timothy M Sasser

*Timothy M Sasser*

ACORD		CERTIFICATE OF LIABILITY INSURANCE			DATE (MM/DD/YYYY)	
<b>PRODUCER</b> Aon Risk Services, Inc. of Washington, D.C./ Hunti 200 East Randolph Chicago IL 60601 USA		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
PHONE: (866) 283-7122 FAX: (847) 953-5390		<b>INSURERS AFFORDING COVERAGE</b>			<b>NAIC #</b>	
<b>INSURED</b> MAXIMUS, Inc. 11419 Sunset Hills Road Reston VA 20190 USA		INSURER A: American International Specialty Lines			26883	
		INSURER B:				
		INSURER C:				
		INSURER D:				
		INSURER E:				
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
OPER LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
		<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GENTL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA OCCUR/PROJ) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMB/OF AGG
		<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS				COMBINED SINGLE LIMIT (EA accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG
		<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION				EACH OCCURRENCE AGGREGATE
		<b>WORKERS COMPENSATION AND EMPLOYERS LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT
A		<b>OTHER</b> Prof Liability	007419754 Professional liability	05/01/07	05/01/08	\$2,000,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS RE: Susan S Lake Contract #PO 14487						
City of Chicago, IL Department of Procurement Services 121 North LaSalle Street, Suite 403 Chicago IL 60602 USA				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.		
				AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Inc. of Illinois</i>		

Holder Identifier:

Certificate No: 570022455788

**EXHIBIT 4**

**TASK ORDER SPECIAL CONDITIONS REGARDING MINORITY  
BUSINESS ENTERPRISE COMMITMENT AND WOMEN'S  
BUSINESS ENTERPRISE COMMITMENT**

# MAXIMUS

HELPING GOVERNMENT SERVE THE PEOPLE®

May 4, 2007

Ms. Barbara Lumpkin  
Chief Procurement Officer  
Department of Procurement Services  
City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

Master Consulting Agreement for Financial Services between the City of Chicago  
(Department of Finance and Department of Law) and MAXIMUS – Specification  
Number 42504, Contract (PO) Number 14487

Dear Ms. Lumpkin:

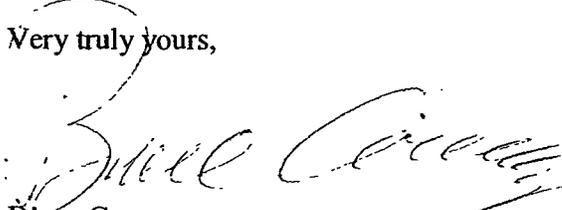
MAXIMUS is pleased to finalize the Master Consulting Agreement with the City of Chicago in response to the RFP Specification Number 42504 and Contract (PO) Number 14487.

Like many area governments, the City of Chicago requires participation of certified minority and women owned enterprises. MAXIMUS supports this participation.

MAXIMUS commits to achieve a minimum MBE participation goal of 16.9% and a WBE participation goal of 4.5% of the total value of all Task Orders awarded under the Master Consulting Agreement.

Please feel free to call me with any questions on our MBE/WBE participation or about this Master Consulting Agreement – 847-513-5508.

Very truly yours,

  
Bruce Cowans  
Senior Vice President

**TASK ORDER SPECIAL CONDITION REGARDING MINORITY BUSINESS  
ENTERPRISE COMMITMENT AND WOMEN BUSINESS ENTERPRISE  
COMMITMENT  
(MBE/WBE Professional Services)**

**I. Policy and Terms**

- A. It is the policy of the City of Chicago that Local Businesses certified as Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in accordance with Section 2-92-420 et seq. of the Municipal Code of Chicago and Regulations Governing Certification of Minority and Women-owned Businesses, and all other Regulations promulgated under the aforementioned sections of the Municipal Code shall have the maximum opportunity to participate fully in the performance of this agreement. Therefore, the contractor shall not discriminate against any person or business on the basis of race, color, national origin or sex, and shall take affirmative action to ensure that women and minority businesses shall have the maximum opportunity to compete for and perform subcontracts for supplies or services.

**The Chief Procurement Officer has established a goal of awarding not less than 25% of the annual dollar value of all non-construction contracts to certified MBEs and 5% of the annual dollar value of all non-construction contracts to certified WBEs.**

- B. Failure to carry out the commitments and policies set forth herein shall constitute a material breach of the contract and may result in the termination of the contract or such remedy as the City of Chicago deems appropriate.
- C. Accordingly, the contractor commits to expend at least the following percentages of the total contract price (inclusive of any and all modifications and amendments), if awarded, for contract participation by MBEs and WBEs:

MBE Contract Goal: 16.9  
WBE Contract Goal: 4.5

- D. The commitment is met by the contractor's status as an MBE or WBE, or by a joint venture with one or more certified MBEs or WBEs that will perform work on the project, or by subcontracting a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the performance of the contract from one or more MBEs or WBEs, or by the indirect participation of MBEs or WBEs in other aspects of the contractor's business (but no dollar of such indirect MBE or WBE participation shall be credited more than once against a contractor's MBE or WBE commitment with respect to all contracts of such contractor), or by any combination of the foregoing.

**Note: MBE/WBE participation goals are separate and those businesses certified with the City of Chicago as both an MBE and WBE shall not be credited more than once against a contractor's MBE or WBE commitment in the performance of the contract.**

- E. As noted above, the contractor may meet all or part of this commitment by contracting with MBEs or WBEs for the provision of goods or services not directly related to the performance of this contract. However, in determining the manner of MBE/WBE participation, the contractor shall first consider involvement of MBEs/WBEs as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract. In appropriate cases, the Chief Procurement Officer will require the contractor to demonstrate the specific efforts undertaken to involve MBEs and WBEs in direct participation in the performance of this contract.
- F. The contractor also may with prior approval of the Chief Procurement Officer or designee, meet all, or part, of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in private sector projects.

## **SPECIAL CONDITION REGARDING MBE/WBE COMMITMENT**

### **II. Definitions**

- A. **“Minority Business Enterprise” or “MBE”** means a firm awarded certification as a minority owned and controlled business in accordance with City Ordinances and Regulations.
- B. **“Women Business Enterprise” or “WBE”** means a firm awarded certification as a women owned and controlled business in accordance with City Ordinances and Regulations.
- C. **“Directory”** means the Directory of Certified “Disadvantaged Business Enterprises,” “Minority Business Enterprises” and “Women Business Enterprises” maintained and published by the Contract Compliance Administrator. The Directory identifies firms that have been certified as MBEs and WBEs, and includes both the date of their last certification and the area of specialty in which they have been certified. Contractors are responsible for verifying the current certification status of all proposed MBE and WBE firms.
- D. **“Area of Specialty”** means the description of an MBE or WBE firm’s business which has been determined by the Chief Procurement Officer to be most reflective of the MBE or WBE firm’s claimed specialty or expertise. Each MBE/WBE letter of certification contains a description of the firm’s Area of Specialty. This information is also contained in the Directory. Credit toward this contract’s MBE and WBE participation goals shall be limited to the participation of firms performing within their Area of Specialty.

**NOTICE:** The Department of Procurement Services does not make any representation concerning the ability of any MBE/WBE to perform work within their Area of Specialty. It is the responsibility of all contractors to determine the capability and capacity of MBEs/WBEs to satisfactorily perform the work proposed.

- E. **“Joint Venture”** means an association of two or more businesses to carry out a single business enterprise for profit, and for which purpose they combine their expertise, property, capital, efforts, skill and knowledge. Contractors may develop joint venture agreements as an instrument to provide participation by MBEs and WBEs in contract work.
- F. **“Contract Compliance Administrator”** means the officer appointed pursuant to Section 2-92-490 of the Municipal Code of Chicago.

### **III. Joint Ventures**

Bidders may develop joint venture agreements as an instrument to provide participation by certified MBEs and WBEs in contract work. A joint venture seeking to be credited for MBE and/or WBE participation may be formed among MBE and/or WBE firms or between an MBE and/or WBE firm and a non-MBE/WBE firm.

A joint venture is eligible for MBE or WBE credit if the MBE/WBE joint venture partner(s) share in the ownership, control and management responsibilities, risks and profits of the joint venture, and are responsible for a clearly defined portion of work to be performed, in proportion with the MBE and/or WBE ownership percentage.

**Notice:** The City requires that, whenever a joint venture is proposed as the prime contractor, each joint venture partner must separately sign the proposal to the City, in the pages captioned, **TO BE EXECUTED BY A CORPORATION; TO BE EXECUTED BY A PARTNERSHIP; and/or TO BE EXECUTED BY A SOLE PROPRIETOR**, as applicable.

### **IV. Counting MBE/WBE Participation Toward the Contract Goals**

- A. The inclusion of any MBE or WBE in the contractor’s MBE/WBE Utilization Plan shall not conclusively establish the contractor’s right to full MBE/WBE credit for that firm’s participation in the contract. Once an MBE or WBE is determined to be eligible in accordance with these rules, the total dollar value of the work

## SPECIAL CONDITION REGARDING MBE/WBE COMMITMENT

awarded to the MBE or WBE may be counted toward the MBE or WBE goal except as indicated below:

- B. The Chief Procurement Officer reserves the right to deny or limit MBE/WBE credit to the contractor where any MBE or WBE is found to be engaged in substantial subcontracting or pass-through activities with others. A contractor may count toward its MBE and WBE goals only expenditures to firms that perform a commercially useful function. A firm is considered to perform a commercially useful function when it is responsible for the performance of a clearly defined and distinct element of work and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a commercially useful function, the Chief Procurement Officer shall evaluate the amount of work subcontracted, industry practices, and other relevant factors. The amount of MBE/WBE participation credit shall be based upon an analysis by the Chief Procurement Officer of the specific duties that will be performed by the MBE or WBE. Each MBE/WBE shall be expected to actually perform a substantial (i.e., more than eighty-five percent (85%)) portion of the work contemplated for it by any subcontract or agreement through the use of its own employees and equipment.

Requested information may include, without limitation: (1) specific information concerning brokers' fees and/or commissions; (2) intended sub-suppliers or other sources of goods and/or services; and (3) specific financial or other risks to be assumed by the MBE/WBE.

- C. MBEs and WBEs who have been certified as "brokers" shall no longer be considered eligible to participate for any consideration of MBE or WBE credit on contracts awarded by the City in 1993 and thereafter, until further notice.
- D. A joint venture may count toward its MBE or WBE goal the dollar value of the actual work performed by the MBE and/or WBE joint venture partner with its own resources.

**The Chief Procurement Officer reserves the right to disallow goal credit for all, or any portion, of work performed by an MBE or WBE joint venturer based on evaluations of non-compliance with these Special Conditions or any other City, State and/or Federal regulation.**

V. **Regulations Governing Reduction or Waiver of MBE/WBE Goals**

The following Regulations set forth the standards to be used in determining whether or not a reduction or waiver of the MBE/WBE commitment goals of a particular contract is appropriate. If a bidder or proposer determines that it is unable to meet the MBE and/or WBE goal percentage on a City of Chicago contract, a written request for the reduction or waiver of the commitment must be included in the bid or proposal.

The written request for reduction or waiver from the commitment must be in the form of a signed petition for grant of relief from the MBE/WBE percentages submitted on the bidder/proposer's letterhead, and must demonstrate that all required efforts as set forth in this document were taken to secure eligible Minority and Women Business Enterprises to meet the commitments. The Chief Procurement Officer or designee shall determine whether the request for the reduction or waiver will be granted.

**Bidders/proposers will be considered responsive to the terms and conditions of these Regulations if a waiver request and proof of notification to an assist agency is submitted at the time of bid/proposal opening. Once the bids have been opened, the lowest responsive and responsible bidder so deemed by the Chief Procurement Officer or authorized designee will have no more than fourteen (14) calendar days to submit to the Department of Procurement complete documentation that adequately addresses the conditions for waiver described herein. Proposers responding to Request for Proposals (RFPs) who have been identified as a short listed candidate and/or a prospective awardee will be given a designated time allowance, but no more than fourteen (14) calendar days to submit to the Department of Procurement Services complete documentation that adequately addresses the conditions for waiver described herein. Respondents to Request for Information and or Qualifications (RFI/RFQs) deemed by the Chief Procurement Officer or authorized designee to be the most responsive and responsible shall submit documentation that adequately addresses**

**the conditions for waiver described herein during negotiations.** Failure to submit documentation sufficient to support the waiver request will cause the bid/proposal to be found non-responsive by the Chief Procurement Officer, and the bid/proposal will be rejected. In such cases the remedies to be taken by the Chief Procurement Officer, in his discretion, may include, but are not limited to, forfeiture of bid deposit; negotiating with the next lowest bidder/proposer; or re-advertising the bid/proposal. All bidders/proposers are encouraged to submit all required documents at the time of bid opening to expedite the contract award.

**A. Direct/Indirect Participation**

Each of the following elements must be present in order to determine whether or not such a reduction or waiver is appropriate.

1. The bidder/proposer has documented the unsuccessful solicitation for either subcontractors or joint venture partners of at least 50% (or at least five when there are more than eleven certified firms in the commodity area) of the appropriate certified MBE/WBE firms to perform any direct or indirect work identified or related to the advertised bid/proposal. Direct participation involves subcontracting a portion of the goods/services specifically required in the bid/proposal. Indirect participation is the subcontracting of goods/services not specifically related to the performance of this contract. Documentation must include but is not necessarily limited to:
    - a. A detailed statement of efforts to identify and select portions of work identified in the bid solicitation for subcontracting to certified MBE/WBE firms;
    - b. A listing of all MBE/WBE firms contacted that includes:
      - (1) Names, address and telephone numbers of MBE/WBE firms solicited;
      - (2) Date and time of contact;
      - (3) Method of contact (written, telephone, facsimile, etc.)
    - c. Copies of letters or any other evidence of mailing that substantiates outreach to MBE/WBE vendors that includes:
      - (1) Project identification and location;
      - (2) Classification/commodity of work items for which quotations were sought;
      - (3) Date, item and location for acceptance of subcontractor bid proposals;
      - (4) Detailed statement which summarizes direct negotiations with appropriate MBE/WBE firms for specific portion of the work and indicates why negotiations were unsuccessful;
      - (5) Affirmation that good faith efforts have been demonstrated by choosing subcontracting opportunities likely to achieve MBE/WBE goals by not imposing any limiting conditions which were not mandatory for all subcontractors; or denying the benefits ordinarily conferred on MBE/WBE subcontractors for the type of work that was solicited.
- OR
2. Subcontractor participation will be deemed excessively costly when the MBE/WBE subcontractor proposal exceeds the average price quoted by more than twenty percent (20%). In order to establish that a subcontractors' quote is excessively costly, the bidder/proposer must provide the following information:
    - a. A detailed statement of the work identified for MBE/WBE participation for which the bidder/proposer asserts the MBE/WBE quote(s) were excessively costly (in excess of 20% higher).
      - (1) A listing of all potential subcontractors contacted for a quotation on that work item;
      - (2) Prices quoted for the subcontract in question by all such potential subcontractors for that work item.

- b. Other documentation which demonstrates to the satisfaction of the Chief Procurement Officer that the MBE/WBE proposals are excessively costly, even though not in excess of 20% higher than the average price quoted. This determination will be based on factors that include, but are not limited to the following:

- (1) The City's estimate for the work under a specific subcontract;
- (2) The bidder/proposer's own estimate for the work under the subcontract;
- (3) An average of the bona fide prices quoted for the subcontract;
- (4) Demonstrated increase in other contract costs as a result of subcontracting to the M/WBE or other firm.

**B. Assist Agency Participation**

Every waiver and/or reduction request must include evidence that the bidder/proposer has provided timely notice of the need for subcontractors to an appropriate association/assist agency representative of the MBE/WBE business community.

The notice requirement of this Section will be satisfied if a bidder/proposer contacts at least one of the associations on Attachment A when the prime contractor seeks a waiver or reduction in the utilization goals. Attachment B provides the letter format that a prime contractor may use. Proof of notification prior to bid submittal (e.g. certified mail receipt or facsimile transmittal receipt) will be required for any bid/proposal submitted to be deemed responsive on the date of bid opening. If deemed appropriate, the Chief Procurement Officer or Contract Compliance Officer may contact the assist agency for verification of notification.

**C. Impracticability**

1. If the Chief Procurement Officer determines that a lesser MBE and/or WBE percentage standard is appropriate with respect to a particular contract subject to competitive bidding prior to the bid solicitations for such contract, bid specifications shall include a statement of such revised standard.
2. The requirements set forth in these Regulations shall not apply where the Chief Procurement Officer determines prior to the bid solicitations that MBE/WBE subcontractor participation is impracticable.

This may occur whenever the Chief Procurement Officer determines that for reasons of time, need, industry practices or standards not previously known by the Procurement Department administrator, or such other extreme circumstances as may be deemed appropriate, such a Waiver is in the best interests of the City. This determination may be made in connection with a particular contract, whether before the contract is let for bid, during the bid or award process, before or during negotiation of the contract, or during the performance of the contract.

For all notifications required to be made by bidders/proposers, in situations where the Chief Procurement Officer has determined that time is of the essence, documented telephone contact may be substituted for letter contact.

**VI. Procedure To Determine Bid Compliance**

The following Schedules and described documents constitute the bidder's MBE/WBE proposal, and must be submitted in accordance with the guidelines stated:

- A. Schedule C-3: Letter of Intent from MBE/WBE to Perform as Subcontractor, Supplier and/or Consultant. A Schedule C-3 executed by the MBE/WBE (subcontractor or Joint Venture partner) must be submitted by the bidder/proposer for each MBE/WBE included on their Schedule D-3 and must accurately detail the work to be performed by the MBE/WBE and the agreed rates and prices to be paid.

If any fully completed and executed Schedule C-3 is not submitted with the bid/proposal, it must be received by the Contract Administrator within ten (10) days of the bid/proposal opening. (All post bid/proposal submissions

must have original signatures on all documents). Failure to submit a completed Schedule C-3 in accordance with this section shall entitle the City to deem the bid/proposal non-responsive and therefore reject the bid/proposal.

B. Letters of Certification.

A copy of each proposed MBE/WBE firm's current Letter of Certification from the City of Chicago must be submitted with the bid/proposal.

All Letters of Certification issued by the City of Chicago include a statement of the MBE/WBE firm's Area of Specialty. The MBE/WBE firm's scope of work, as detailed by their Schedule C-3, must conform to their stated Area of Specialty.

C. Joint Venture Agreements.

If the bidder's/proposer's MBE/WBE proposal includes the participation of an MBE/WBE as joint venture on any tier (either as the bidder/proposer or as a subcontractor), the bidder/proposer must provide a copy of the joint venture agreement.

A. Schedule D-1: Affidavit of MBE/WBE Goal Implementation Plan

Bidders must submit, together with the bid, a completed Schedule D-3 committing them to the utilization of each listed MBE/WBE firm.

Except in cases where the bidder/proposer has submitted a request for a complete waiver of or variance from the MBE/WBE commitment in accordance with Section V. herein, the bidder/proposer must commit to the expenditure of a specific dollar amount of participation and a specific percentage of the total award amount for each MBE/WBE firm included on their Schedule D-3. The total dollar commitment to proposed MBEs must at least equal the MBE goal, and the total dollar commitment to proposed WBEs must at least equal the WBE goal. Bidders are responsible for calculating the dollar equivalent of the MBE and WBE goals as percentages of their total base bids or in the case of Term Agreements, as percentages of the total estimated usage.

All commitments made by the bidder's Schedule D-3 must conform to those presented in the submitted Schedule C-3. If Schedule C-3 is submitted after the bid opening (see Section VI. A., above), the bidder/proposer may submit a revised Schedule D-3 (executed and notarized) to conform with the Schedule C-3. Except in cases where substantial and documented justification is provided, bidders/proposers will not be allowed to reduce the dollar commitment made to any MBE or WBE in order to achieve conformity between the Schedules C-3 and D-3.

VII. Reporting Requirements During The Term of The Contract

A. The Contractor shall, not later than thirty (30) days from the award of a contract by the City, execute formal contracts or purchase orders with the MBEs and WBEs included in their approved MBE/WBE Utilization Plan. These written agreements shall be made available to the Chief Procurement Officer upon request.

B. In the case of one time procurements of supplies with either single or multiple deliveries to be performed in less than one year from the date of contract award, an "MBE/WBE Utilization Report," indicating final MBE and WBE payments shall be submitted directly to the Department of Procurement Services so as to assure receipt either at the same time, or before the using Department receives the contractor's final invoice. Final payments may be held until the Utilization Reports have been received.

**NOTICE: Do not submit invoices with "MBE/WBE Utilization Reports."**

C. During the term of all other contracts, the contractor shall submit regular "MBE/WBE Utilization Reports," a copy of which is attached. The frequency with which these reports are to be submitted will be determined by the Chief Procurement Officer, but in no case will reports be required less often than on a quarterly basis. In the absence of written notice from the Chief Procurement Officer, the contractor's first "MBE/WBE Utilization

Report” will be due ninety (90) days after the date of contract award, and reports will be due quarterly thereafter.

- D. “MBE/WBE Utilization Reports” are to be submitted directly to: Department of Procurement Services, Office of Vendor Relations, City Hall, Room 403, 121 N. LaSalle Street, Chicago, Illinois 60602.
- E. The Contract Compliance Administrator shall be entitled to examine, on five (5) business days notice, the contractor’s books and records including without limitation payroll records, tax returns and records, and books of account, to determine whether the contractor is in compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the contract. Such rights are in addition to any other audit inspection rights contained in the contract.

**VIII. MBE/WBE Substitutions**

Changes by the contractor of the commitments earlier certified in the Schedule D-3 are prohibited. In some cases, however, it may become necessary to substitute a new MBE or WBE in order to actually fulfill the MBE/WBE requirements.

The contractor must notify the Chief Procurement Officer immediately in writing of the necessity to reduce or terminate an MBE/WBE subcontract and to utilize a substitute firm for some phase of work. The contractor’s notification should include the reason for the substitution request, as well as, the name, address and principal official of the substitute MBE/WBE and the dollar value and scope of work of the subcontract. Attached should be all the requisite MBE/WBE affidavits and documents, as enumerated above in Section VI. above, “Procedure to Determine Bid Compliance.”

The City will not approve extra payment for escalated costs incurred by the contractor when a substitution of subcontractors becomes necessary for the contractor in order to comply with MBE/WBE contract requirements.

After award of contract, no relief of the MBE/WBE requirements will be granted by the City except in exceptional circumstances. Requests for complete or partial waiver of the MBE/WBE requirements of this contract must be made in writing, stating all details of the request, the circumstances, and any additional relevant information. The request must be accompanied by a record of all efforts taken by the contractor to locate specific firms, solicit MBE/WBE bids, seek assistance from technical assistance agencies, etc., as outlined above in the section V. above, entitled “Regulations Governing Reductions To or Waiver of MBE/WBE Goals”.

**IX. Non-Compliance and Damages**

The following constitutes a material breach of this contract and shall entitle the City to declare a default, terminate the contract and exercise those remedies provided for in the contract, at law or in equity:

- (1) failure to satisfy the MBE/WBE percentages required by the contract; and
- (2) the contractor or subcontractor is disqualified as an MBE or WBE, and such status was a factor in contract award, and was misrepresented by the contractor.

In the event that the contractor is determined not to have been involved in any misrepresentation of the status of the disqualified subcontractor or supplier, the contractor shall seek to discharge the disqualified subcontractor or supplier, upon proper notification to the Chief Procurement Officer and/or Contract Compliance Administrator and make every effort to identify and engage a qualified MBE or WBE as its replacement. Furthermore, continued eligibility to enter into future contracting arrangements with the City may be jeopardized as a result of non-compliance. Payments due to the contractor may be withheld until corrective action is taken.

**X. Arbitration**

- A. In the event that a contractor has not complied with the contractual MBE/WBE percentages in its Schedule D,

underutilization of MBEs/WBEs shall entitle the affected MBE/WBE to recover from the contractor damages suffered by such entity as a result of being underutilized; provided, however, that this provision shall not apply to the extent such underutilization occurs pursuant to a waiver or substitution approved by the City. The Ordinance and contracts subject thereto provide that any disputes between the contractor and such affected MBEs/WBEs regarding damages shall be resolved by binding arbitration before an independent arbitrator other than the City, with reasonable expenses, including attorney's fees, being recoverable by a prevailing MBE/WBE in accordance with these regulations. This provision is intended for the benefit of any MBE/WBE affected by underutilization and grants such entity specific third party beneficiary rights. Any rights conferred by this regulation are non-waivable and take precedence over any agreement to the contrary, including but not limited to those contained in a subcontract, suborder, or communicated orally between a contractor and an MBE/WBE.

- B. An MBE/WBE desiring to arbitrate shall contact the contractor in writing to initiate the arbitative process. Except as otherwise agreed to in writing by the affected parties subject to the limitation contained in the last sentence of the previous paragraph, Section X. A. above, within ten (10) days of the contractor receiving notification of the intent to arbitrate from the MBE/WBE the above-described disputes shall be arbitrated in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), a not-for-profit agency, with an office at 225 North Michigan Avenue, Suite 2527, Chicago, Illinois 60601-7601 [Phone: (312) 616-6560; Fax: (312) 819-0404]. All such arbitrations shall be initiated by the MBE/WBE filing a demand for arbitration with the AAA; shall be conducted by the AAA; and held in Chicago, Illinois.
- C. All fees of the arbitrator are the initial responsibility of the MBE/WBE; provided, however, that the arbitrator is authorized to award reasonable expenses, including attorney's and arbitrator fees, as damages to a prevailing MBE/WBE.
- D. The MBE/WBE must send the City a copy of the "Demand for Arbitration" within ten (10) days after it is filed with the AAA. The MBE/WBE also must send the City a copy of the decision of the arbitrator within ten (10) days of receiving such decision. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

**XI. Record Keeping**

The Contractor shall maintain records of all relevant data with respect to the utilization of MBEs/WBEs, retaining these records for a period of at least three years after final acceptance of the work. Full access to these records shall be granted to the City of Chicago, Federal or State authorities in this project, the U.S. Department of Justice, or any duly authorized representatives thereof.

**XII. Information Sources**

Small business guaranteed loans; surety bond guarantees; 8 (a) certification:

**U.S. Small Business Administration**  
500 W. Madison Street, Suite 1250  
Chicago, Illinois 60661  
General Information  
(312) 353-4528

**S.B.A. - Bond Guarantee Program**  
**Surety Bonds**  
500 West Madison, Suite 1250  
Chicago, Illinois 60661  
Attention: Carole Harris  
(312) 353-4003

**S.B.A. - Procurement Assistance**  
500 West Madison, Suite 1250  
Chicago, Illinois 60661  
Attention: Robert P. Murphy, Area Regional Administrator  
(312) 353-7381

Project information and general MBE/WBE information:

**City of Chicago**  
**Department of Procurement**  
**Office of Vendor Relations**  
City Hall - Room 403  
Chicago, Illinois 60602  
Attention:  
(312) 744-7655

**City of Chicago**  
**Department of Procurement**  
**Contract Administration Division**  
City Hall - Room 403  
Chicago, Illinois 60602  
Attention: Byron Whittaker  
(312) 744-4926

Directory of Certified Disadvantaged, Minority and Women Business Enterprises:

**City of Chicago**  
**Department of Procurement**  
**Office of Business Development -Certification Unit**  
City Hall - Room 403  
Chicago, Illinois 60602  
Attention: Lori Lypson  
(312) 744-4909

General Information, Department of Procurement Services: [www.cityofchicago.org/purchasing](http://www.cityofchicago.org/purchasing)

Information on MBE/WBE availability in the manufacturing, sales or supplies, and related fields (direct assistance from 42 regional affiliates located throughout the U.S.):

**National Minority Suppliers**  
**Development Council, Inc.**  
1040 Avenue of the Americas, 2<sup>nd</sup> floor  
New York, New York 10018  
Attention: Harriet R. Michel  
(212) 944-2430

**Chicago Minority Business**  
**Development Council**  
1 East Wacker Drive  
Suite 1200  
Chicago, Illinois 60601  
Attention: Tracye Smith, Executive Director  
Phone #: (312) 755-8880  
Fax #: (312) 755-8890

## ATTACHMENT A – ASSIST AGENCY

AFRICAN AMERICAN CONTRACTORS ASSOCIATION  
3901 S. STATE  
CHICAGO, IL 60653  
PHONE #: (312) 915-5960  
FAX #: (312) 567-9919  
WEB: NONE  
EMAIL: [OMARAACA@HOTMAIL.COM](mailto:OMARAACA@HOTMAIL.COM)  
ATTN: OMAR SHAREEF, PRESIDENT

ASIAN AMERICAN ALLIANCE  
222 W. CERMAK ROAD  
SUITE 303  
CHICAGO, IL 60616  
PHONE #: (312) 293-1249  
FAX #: (312) 293-3642  
WEB: [WWW.ASIANAMERICANALLIANCE.COM](http://WWW.ASIANAMERICANALLIANCE.COM)  
EMAIL: [CTAKADA@ASIANAMERICANALLIANCE.COM](mailto:CTAKADA@ASIANAMERICANALLIANCE.COM)  
ATTN: MITCH SCHNEIDER, EXECUTIVE DIRECTOR

ASSOCIATION OF ASIAN CONSTRUCTION ENTERPRISES  
333 N. OGDEN AVENUE  
CHICAGO, IL 60607  
PHONE #: (312) 563-0746  
FAX #: (312) 666-1785  
WEB: NONE  
ATTN: PERRY NAKACHI, PRESIDENT

BLACK CONTRACTORS UNITED  
400 W. 76<sup>TH</sup> STREET  
SUITE 200  
CHICAGO, IL 60620  
PHONE #: (773) 483-4000  
FAX #: (773) 483-4150  
WEB: [WWW.BLACKCONTRACTORSUNITED.COM](http://WWW.BLACKCONTRACTORSUNITED.COM)  
ATTN: FLORENCE COX, EXECUTIVE DIRECTOR

CHICAGO MINORITY BUSINESS DEVELOPMENT  
COUNCIL, INC.  
1 EAST WACKER DRIVE  
SUITE 1200  
CHICAGO, IL 60601  
PHONE #: (312) 755-8880  
FAX #: (312) 755-8890  
WEB: [WWW.CMBDC.ORG](http://WWW.CMBDC.ORG)  
ATTN: TRACYE SMITH, EXECUTIVE DIRECTOR

CHICAGO URBAN LEAGUE  
220 S. STATE STREET  
11<sup>TH</sup> FLOOR  
CHICAGO, IL 60604  
PHONE #: (312) 692-0766 EXT. 256  
FAX #: (312) 692-0769  
WEB: [WWW.CUL-CHICAGO.ORG](http://WWW.CUL-CHICAGO.ORG)  
EMAIL: [JARCHIE@CUL-CHICAGO.ORG](mailto:JARCHIE@CUL-CHICAGO.ORG)  
ATTN: JOAN ARCHIE, DIRECTOR OF  
EMPLOYMENT, COUNSELING & TRAINING

COSMOPOLITAN CHAMBER OF COMMERCE  
560 WEST LAKE ST., SUITE 5<sup>TH</sup> FLOOR  
CHICAGO, IL 60661  
PHONE #: (312) 786-0212  
FAX #: (312) 234-9807  
WEB: [WWW.CCHAMBER.ORG](http://WWW.CCHAMBER.ORG)  
ATTN: GLORIA BELL, EXECUTIVE DIRECTOR

FEDERATION OF WOMEN CONTRACTORS  
5650 S. ARCHER AVENUE  
CHICAGO, IL 60638  
PHONE #: (312) 360-1122  
FAX #: (312) 360-0239  
WEB: [WWW.FWCCHICAGO.COM/](http://WWW.FWCCHICAGO.COM/)  
ATTN: BETH DORIA, EXECUTIVE DIRECTOR

HISPANIC AMERICAN CONTRACTORS INDUSTRY  
ASSOCIATION (HACIA)  
901 WEST JACKSON BOULEVARD  
SUITE 205  
CHICAGO, IL 60607  
PHONE #: (312) 666-5910  
FAX #: (312) 666-5692  
WEB: [WWW.HACIAWORKS.ORG](http://WWW.HACIAWORKS.ORG)  
EMAIL: [MAILTO:CSATOY@HACIAWORKS.ORG](mailto:MAILTO:CSATOY@HACIAWORKS.ORG)  
ATTN: CESAR A. SANTOY, EXECUTIVE DIRECTOR

LATIN AMERICAN CHAMBER OF COMMERCE  
3512 WEST FULLERTON AVENUE  
CHICAGO, IL 60647  
PHONE #: (773) 252-5211  
FAX #: (773) 252-7065  
WEB:  
[WWW.LATINAMERICANCHAMBEROFCOMMERCE.COM](http://WWW.LATINAMERICANCHAMBEROFCOMMERCE.COM)  
EMAIL:  
[LACC@LATINAMERICANCHAMBEROFCOMMERCE](mailto:LACC@LATINAMERICANCHAMBEROFCOMMERCE)  
ATTN: ANTHONY GUILLEN, DIRECTOR

ILLINOIS HISPANIC CHAMBER OF COMMERCE  
(FORMERLY MACC)  
33 N. LASALLE STREET  
SUITE 1720  
CHICAGO, IL 60602  
PHONE #: (312) 372-3010  
FAX #: (312) 372-3403  
WEB: [WWW.MACCBUSINESS.COM](http://WWW.MACCBUSINESS.COM)  
ATTN: JUAN OCHOA, PRESIDENT & CEO

NATIONAL ASSOCIATION OF WOMEN BUSINESS  
OWNERS  
CHICAGO CHAPTER  
330 S. WELLS STREET  
SUITE 1110  
CHICAGO, IL 60606  
PHONE #: (312) 322-0990  
FAX #: (312) 461-0238  
WEB: [WWW.NAWBOCHICAGO.ORG](http://WWW.NAWBOCHICAGO.ORG)  
EMAIL: [INFO@NAWBOCHICAGO.COM](mailto:INFO@NAWBOCHICAGO.COM)  
ATTN: CLAIR GREGOIRE, PRESIDENT

RAINBOW/PUSH COALITION  
930 E. 50<sup>TH</sup> STREET  
CHICAGO, IL 60615  
PHONE #: (773) 256-2728  
FAX #: (773) 256-2751  
WEB: [WWW.RAINBOWPUSH.ORG](http://WWW.RAINBOWPUSH.ORG)  
ATTN: DONNA GAINES, DEPUTY DIRECTOR  
TRADE BUREAU

SUBURBAN BLACK CONTRACTORS  
848 DODGE AVENUE  
SUITE 347  
EVANSTON, IL 60202  
PHONE #: (847) 359-5356  
FAX #: (847) 359-5367  
WEB: NONE  
ATTN: LARRY BULLOCK, PRESIDENT

rev. 3/17/05

SUCCESSFUL INDEPENDENT NETWORK  
ASSOCIATION (SIN)  
STREET ADDRESS: 2100 W. WASHINGTON  
CHICAGO, IL 60612  
PHONE #: (312) 850-1665  
FAX #: (312) 850-1665  
WEB: NONE  
ATTN: DIANE JONES, PRESIDENT  
ATTN: ARNETTE KING, GENERAL MANAGER

MAILING ADDRESS:  
P.O. BOX 1113  
CHICAGO, IL 60608

TRITON COLLEGE  
SMALL BUSINESS DEVELOPMENT CENTER  
2000 FIFTH AVENUE  
ROOM R-201  
RIVER GROVE, IL 60171  
PHONE #: (708) 456-0300 EXT. 3714  
FAX #: (708) 583-3114  
WEB: [WWW.TRITON.EDU](http://WWW.TRITON.EDU)  
EMAIL: [GBARNES@TRITON.EDU](mailto:GBARNES@TRITON.EDU)  
ATTN: MARY ANN OLSON, DEAN OF  
WORKFORCE DEVELOPMENT

UPTOWN CENTER HULL HOUSE  
4520 N. BEACON STREET  
CHICAGO, IL 60640  
PHONE #: (773) 561-3500  
FAX #: (773) 561-3507  
WEB: [WWW.HULLHOUSE.ORG/EDU.HTM](http://WWW.HULLHOUSE.ORG/EDU.HTM)  
Email: [MAILTO:CROESCHLEY@HULLHOUSE.ORG](mailto:MAILTO:CROESCHLEY@HULLHOUSE.ORG)  
ATTN: CURT ROESCHLEY, DIRECTOR  
SMALL BUSINESS DEVELOPMENT

WOMEN'S BUSINESS DEVELOPMENT CENTER  
8 SOUTH MICHIGAN AVENUE  
SUITE 400  
CHICAGO, IL 60603  
PHONE #: (312) 853-3477  
FAX #: (312) 853-0145  
WEB: [WWW.WBDC.ORG](http://WWW.WBDC.ORG)  
Email: [MAILTO:HRATNER@WBDC.ORG](mailto:MAILTO:HRATNER@WBDC.ORG)  
ATTN: HEDY RATNER, EXECUTIVE DIRECTOR

THE CHICAGO AREA GAY & LESBIAN CHAMBER OF  
COMMERCE  
1210 W. ROSEDALE  
CHICAGO, IL 60660  
PHONE #: (773) 303-0167  
FAX #: (773) 303-0168  
WEB: [HTTP://WWW.GLCHAMBER.ORG/](http://WWW.GLCHAMBER.ORG/)  
BARRY A. FLYNN, EXECUTIVE DIRECTOR

**ATTACHMENT B**  
**(On Bidder/proposer's Letterhead)**

RETURN RECEIPT REQUESTED

(Date)

Re: Specification \_\_\_\_\_

Description: \_\_\_\_\_

(Assist Agency Name and Address)

Dear \_\_\_\_\_:

(Bidder/Proposer) \_\_\_\_\_ intends to submit a bid/proposal in response to the above referenced specification with the City of Chicago. Bids are due \_\_\_\_\_ advertised specification with the City of Chicago.

The following areas have been identified for subcontracting opportunities on both a direct and indirect basis:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Our efforts to identify potential subcontractors have not been successful in order to meet the Disadvantaged/Minority/Women Business Enterprise contract goal. **Due to the inability to identify an appropriate DBE/MBE/WBE firm certified by the City of Chicago to participate as a subcontractor or joint venture partner, a request for the waiver of the contract goals will be submitted.** If you are aware of such a firm, please contact

\_\_\_\_\_ at \_\_\_\_\_  
Name of Company Representative  
Address/phone

within (10) ten working days of receipt of this letter.

Under the City of Chicago's MBE/WBE/DBE Ordinance, your agency is entitled to comment upon this waiver request to the City of Chicago. Written comments may be directed within fifteen (15) working days of your receipt of this letter to:

Monica Cardenas, Deputy Procurement Officer  
Department of Procurement Services  
City of Chicago  
121 North La Salle Street, Room 403  
Chicago, Illinois 60602

If you wish to discuss this matter, please contact the undersigned at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_

## SCHEDULE B: Affidavit of Joint Venture (MBE/WBE)

This form need not be submitted if all joint venturers are MBEs and/or WBEs. In such a case, however, a written joint venture agreement among the MBE and WBE venturers must be submitted. In all proposed joint ventures, each MBE and/or WBE venturer must submit a copy of their current Letter of Certification.

All Information Requested by this Schedule must Be Answered in the Spaces Provided. Do Not Refer to Your Joint Venture Agreement Except to Expand on Answers Provided on this Form. If Additional Space Is Required, Additional Sheets May Be Attached.

- I. Name of joint venture: \_\_\_\_\_  
Address of joint venture: \_\_\_\_\_  
Phone number of joint venture: \_\_\_\_\_
- II. Identify each non-MBE/WBE venturer(s):  
Name of Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact person for matters concerning MBE/WBE compliance: \_\_\_\_\_
- III. Identify each MBE/WBE venturer(s):  
Name of Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact person for matters concerning MBE/WBE compliance: \_\_\_\_\_
- IV. Describe the role(s) of the MBE and/or WBE venturer(s) in the joint venture: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- V. Attach a copy of the joint venture agreement. In order to demonstrate the MBE and/or WBE venturer's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) the contributions of capital and equipment; (2) work items to be performed by the MBE/WBE's own forces; (3) work items to be performed under the supervision of the MBE/WBE venturer; and (4) the commitment of management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the project.
- VI. Ownership of the Joint Venture.  
A. What are the percentage(s) of MBE/WBE ownership of the joint venture?  
    MBE/WBE ownership percentage(s) \_\_\_\_\_  
    Non-MBE/WBE ownership percentage(s) \_\_\_\_\_
- B. Specify MBE/WBE percentages for each of the following (provide narrative descriptions and other detail as applicable):
1. Profit and loss sharing: \_\_\_\_\_
2. Capital contributions:  
    (a) Dollar amounts of initial contribution: \_\_\_\_\_  
        \_\_\_\_\_  
    (b) Dollar amounts of anticipated on-going contributions: \_\_\_\_\_

**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

- 3. Contributions of equipment (Specify types, quality and quantities of equipment to be provided by each venturer): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 4. Other applicable ownership interests, including ownership options or other agreements which restrict or limit ownership and/or control: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 5. Provide copies of all written agreements between venturers concerning this project.
  
- 6. Identify each current City of Chicago contract (and each contract completed during the past two (2) years) by a joint venture of two or more firms participating in this joint venture:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Control of and Participation in the Joint Venture. Identify by name and firm those individuals who are, or will be, responsible for, and have the authority to engage in the following management functions and policy decisions. (Indicate any limitations to their authority such as dollar limits and co-signatory requirements.):

- A. Joint venture check signing:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- B. Authority to enter contracts on behalf of the joint venture:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- C. Signing, co-signing and/or collateralizing loans:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- D. Acquisition of lines of credit:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- E. Acquisition and indemnification of payment and performance bonds:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

F. Negotiating and signing labor agreements:

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G. Management of contract performance. (Identify by name and firm only):

1. Supervision of field operations: \_\_\_\_\_
2. Major purchases: \_\_\_\_\_
3. Estimating: \_\_\_\_\_
4. Engineering: \_\_\_\_\_

VIII. Financial Controls of joint venture:

A. Which firm and/or individual will be responsible for keeping the books of account?

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B. Identify the "managing partner," if any, and describe the means and measure of their compensation:

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C. What authority does each venturer have to commit or obligate the other to insurance and bonding companies, financing institutions, suppliers, subcontractors, and/or other parties participating in the performance of this contract or the work of this project?

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IX. State the approximate number of operative personnel (by trade) needed to perform the joint venture's work under this contract. Indicate whether they will be employees of the non-MBE/WBE firm, the MBE/WBE firm, or the joint venture.



**Schedule B: Affidavit of Joint Venture (MBE/WBE)**

The undersigned affirms that the foregoing statements are correct and include all material information necessary to identify and explain the terms and operations of our joint venture and the intended participation of each venturer in the undertaking. Further, the undersigned covenant and agree to provide to the City current, complete and accurate information regarding actual joint venture work and the payment therefore, and any proposed changes in any provision of the joint venture agreement, and to permit the audit and examination of the books, records and files of the joint venture, or those of each venturer relevant to the joint venture by authorized representatives of the City or the Federal funding agency.

Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under federal or state laws concerning false statements.

Note: If, after filing this Schedule B and before the completion on the joint venture's work on the project, there is any change in the information submitted, the joint venture must inform the City of Chicago, either directly or through the prime contractor if the joint venture is a subcontractor.

Name of MBE/WBE Partner Firm

Name of Non-MBE/WBE Partner Firm

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Name and Title of Affiant

\_\_\_\_\_  
Name and Title of Affiant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the above-signed officers

\_\_\_\_\_  
(names of affiants)

personally appeared and, known to me be the persons described in the foregoing Affidavit, acknowledged that they executed the same in the capacity therein stated and for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

My Commission Expires: \_\_\_\_\_

(SEAL )

**Schedule C-3**  
**MBE/WBE to Perform as Subcontractor**  
Request for Services (Task Order)

**Contract #:** \_\_\_\_\_ **Project #:** \_\_\_\_\_

**Project Description:** \_\_\_\_\_

**From:** \_\_\_\_\_  
(Name of Subcontractor)

Please check one:    MBE: [  ]    WBE: [  ]    Non-M/WBE: [  ]

**To:** \_\_\_\_\_ and the City of Chicago:  
(Name of Prime Contractor)

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above described performance is offered for the following price and described terms of payments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Signature of Owner or Authorized Agent)

\_\_\_\_\_  
Name/Title (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone

**Schedule D-3**  
**Compliance Plan regarding MBE and WBE Utilization**  
**Request for Services (Task Order)**

-----  
**Contract #:** \_\_\_\_\_ **Project #:** \_\_\_\_\_

**Project Description:** \_\_\_\_\_  
-----

In connection with the above captioned contract, I HEREBY DECLARE AND AFFIRM that I am the  
\_\_\_\_\_ and authorized representative of  
(Title of Affiant)

\_\_\_\_\_  
Name of Prime Contractor

and that I have personally reviewed the material and facts set forth in and submitted with the Schedule C-3 regarding Minority Business Enterprise and Women Business Enterprise (MBE/WBE) to perform as subcontractor. All MBE/WBE firms included in this plan have been certified as such by the City of Chicago (Current letter of Certification attached).

**I. Complete this section for each MBE/WBE participating on the Request for Service.**

1. Name of MBE/WBE firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Dollar Amount of Participation: \$ \_\_\_\_\_

Percentage of Participation: \_\_\_\_\_ %

If indirect participation is being used, describe in detail the service that will be performed and/or goods that will be supplied. Give detailed project information (i.e., project name, description, type of service that will be performed and/or supplies that are being purchased. Copies of invoices, bill of sale and cancelled checks must be submitted to the Department of Procurement Services upon project completion.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Name of MBE/WBE firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Dollar Amount of Participation: \$ \_\_\_\_\_

Percentage of Participation: \_\_\_\_\_ %

If indirect participation is being used, describe in detail the service that will be performed and/or goods that will be supplied. Give detailed project information (i.e., project name, description, type of service that will be performed and/or supplies that are being purchased. Copies of invoices, bill of sale and cancelled checks must be submitted to the Department of Procurement Services upon project completion.)

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3. Name of MBE/WBE firm: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Dollar Amount of Participation: \$ \_\_\_\_\_

Percentage of Participation: \_\_\_\_\_ %

If indirect participation is being used, describe in detail the service that will be performed and/or goods that will be supplied. Give detailed project information (i.e., project name, description, type of service that will be performed and/or supplies that are being purchased. Copies of invoices, bill of sale and cancelled checks must be submitted to the Department of Procurement Services upon project completion.)

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4. Attach additional sheets as needed.

**II. Summary of MBE/WBE Proposal:**

**1. MBE Direct Participation**

Name of MBE firm	Dollar Amount	Percent
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total MBE Direct Participation	\$ _____	_____ %

**2. MBE Direct Participation**

Name of MBE firm	Dollar Amount	Percent
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total MBE Direct Participation	\$ _____	_____ %

**3. WBE Direct Participation**

Name of WBE firm	Dollar Amount	Percent
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total WBE Direct Participation	\$ _____	_____ %

**4. WBE Direct Participation**

Name of WBE firm	Dollar Amount	Percent
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total WBE Direct Participation	\$ _____	_____ %

To the best of my knowledge, information and belief, the facts and representations contained in this schedule are true, and no material facts have been omitted.

The contractor designates the following person as their MBE/WBE Liaison Officer:

Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the contractor, to make this affidavit.

\_\_\_\_\_  
Signature of Affiant (Date)

State of \_\_\_\_\_  
County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ (date)  
by \_\_\_\_\_ (name/s of person/s)  
as \_\_\_\_\_ (type of authority, e/g/. officer, trustee, etc.)  
of \_\_\_\_\_ (name of party on behalf of whom instrument was executed).

(Seal) \_\_\_\_\_  
Signature of Notary Public

**EXHIBIT 5**

**ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

**INSTRUCTIONS FOR COMPLETING  
CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." An incomplete EDS will be returned and any City action will be delayed.

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

For purposes of this EDS:

**"Applicant"** means any entity or person making an application to the City for action requiring City Council or other City agency approval.

**"Disclosing Party"** means any entity or person submitting an EDS.

**"Entity"** or **"Legal Entity"** means a legal entity (for example, a corporation, partnership, joint venture, limited liability company or trust).

**"Person"** means a human being.

**WHO MUST SUBMIT AN EDS:**

An EDS must be submitted in any of the following three circumstances:

1. **Applicants:** An Applicant must always file this EDS. If the Applicant is a legal entity, state the full name of that legal entity. If the Applicant is a person acting on his/her own behalf, state his/her name.
2. **Entities holding an interest:** Whenever a legal entity has a beneficial interest (i.e. direct or indirect ownership) of more than 7.5% in the Applicant, each such legal entity must file an EDS on its own behalf.
3. **Controlling entities:** Whenever a legal entity directly or indirectly controls the Applicant, each such controlling legal entity must file an EDS on its own behalf.

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MAXIMUS, Inc.

**Check ONE of the following three boxes:**

Indicate whether Disclosing Party submitting this EDS is:

1.  the Applicant  
OR
2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which Disclosing Party holds an interest: \_\_\_\_\_  
OR
3.  a specified legal entity with a right of control (see Section II.B.1.b.) State the legal name of the entity in which Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of Disclosing Party:

1033 Skokie Boulevard, Suite 350

Northbrook, IL 60062

C. Telephone: 847-513-5508 Fax: 847-564-9136 Email: brucecowans@maximus.com

D. Name of contact person: Bruce Cowans

E. Federal Employer Identification No. (if you have one): 54-1000588

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Financial Services: Management Consulting, Accounting Services, Cost  
Benefit Analysis

G. Which City agency or department is requesting this EDS? Departments of Finance and Law

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following.

Specification # 42504 and Contract # PO 14487

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |  |  |
|--|--|
| <input type="checkbox"/> Person  | <input type="checkbox"/> Limited liability company*      |
| <input checked="" type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership*  |
| <input type="checkbox"/> Privately held business corporation                 | <input type="checkbox"/> Joint venture*                  |
| <input type="checkbox"/> Sole proprietorship                                 | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership*                                | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership*                                | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust   | <input type="checkbox"/> Other (please specify)          |

\* Note B.1.b below.

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Virginia

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1.a. List below the full names and titles of all executive officers and all directors of the entity. For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

Name	Title
See attached	

1.b. If you checked "General partnership," "Limited partnership," "Limited liability company," "Limited liability partnership" or "Joint venture" in response to Item A.1. above (Nature of Disclosing Party), list below the name and title of each general partner, managing member, manager or

**MAXIMUS, Inc.**

**Economic Disclosure Statement**

**Supplement to II.B.1.a**

**Names and titles of all executive officers and directors**

**Executive Officers**

Richard A. Montoni, Chief Executive Officer, President and Director

David Francis, General Counsel and Secretary

Paul Mack, Special Assistant to the CEO and Chief Administrative Officer

David N. Walker, Chief Financial Officer

Susan D. Pepin, Chief of the Office of Quality Assurance

David Casey, Chief Marketing Officer

Mark Andrekovich, Chief of Human Capital

Robert B. Sullivan, President of Consulting

Andrew Cramer, President of Enterprise Systems

Michael Plymack, President of Health and Human Services Systems

Bruce L. Caswell, President of the Operations Segment

John F. Boyer, Ph.D. President of MAXIMUS Federal Services, Inc., a wholly-owned subsidiary

**Board of Directors**

Russell A. Beliveau

Richard A. Montoni, Chief Executive Officer, President and Director

John J. Haley

Paul R. Lederer

Peter B. Pond, Chairman of the Board

Raymond Ruddy

Marilyn R. Seymann

Governor James R. Thompson, Jr.

Mayor Wellington E. Webb

any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
See attached		

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total

MAXIMUS, Inc.  
ECONOMIC DISCLOSURE STATEMENT  
Supplement to II.B.2

Entities having a beneficial interest (including ownership in excess of 7.5% of the Disclosing Party

- 1) No person owns 7.5% or more of MAXIMUS, Inc.
- 2) Four institutional investment firms manage more than 7.5% of the outstanding shares of MAXIMUS, Inc. No single investor in these funds owns 7.5% or more of MAXIMUS, Inc., as attested to by our General Counsel in the attached letter dated April 11, 2007 to the City of Chicago's Department of Law, Contracts Division

The four investment firms and their respective percentages managed on behalf of their many clients who own MAXIMUS, Inc. stock are:

Jana Partners, LLC	14.6%
Morgan Stanley	8.2%
Royce	7.9%
Wellington Management Company, LLP	7.6%