

AGREEMENT FOR PROFESSIONAL AUDIT SERVICES

This **Agreement for Professional Audit Services** (the “Agreement”) is made and entered into as of the last date signed below by and between the **City of North Richland Hills, Texas**, a municipal corporation in Tarrant County, Texas (hereinafter referred to as the “City,” “You,” or “Your,”), and **FORVIS, LLP**, a limited liability partnership, (hereinafter referred to as the “Auditor,” “FORVIS,” “We,” “Us,” or “Our”), each individually referred to as a “party,” collectively referred to as the “parties.”

W I T N E S S E T H

WHEREAS, the City is a municipal corporation of the State of Texas, located at City Hall, 4301 City Point Drive, North Richland Hills, Texas 76180, wherein the books and records of said City are kept, and

WHEREAS, the Auditor is a Certified Public Accountant, duly licensed in said capacity in the State of Texas, having paid all fees pursuant to such licensing, and the City being willing to employ Auditor on the terms and conditions hereinafter set forth, the parties agree as follows:

Terms and Conditions

1. **Contract Documents and Scope of Services.** The parties agree that this engagement shall be governed by the Contract Documents listed below in order of precedence. The services to be performed pursuant to this Agreement shall be set forth in the Contract Documents below. The All Exhibits are attached hereto, incorporated herein, and made a part of this Agreement for all purposes. If there is any conflict between this Agreement and the Contract Documents, this Agreement shall control.
 - a. This Agreement for Professional Auditing Services
 - b. Exhibit A - Auditor’s Response (Technical Proposal dated March 23, 2023) to the City of North Richland Hills Request for Proposal 23-006 for Professional Audit Services, and all Addendums (the “RFP”)
 - c. Exhibit B – Auditor’s Response (Cost Proposal dated March 23, 2023) to the City of North Richland Hills Request for Proposal 23-006 for Professional Audit Services, and all Addendums (the “RFP”)
 - d. Exhibit C - City of North Richland Hills Request for Proposal 23-006 for Professional Audit Services, and all Addendums (the “RFP”)
 - e. Exhibit D - Engagement Letter dated July 5, 2023
2. **Term.** The Term of this Agreement shall cover the City of North Richland Hills year ending September 30, 2023, 2024 and 2025.
3. **Auditor’s Opinion.** While the objective of the examination is the expression of an unmodified opinion on the fair presentation of the financial statements of the City, it is understood that an opinion may have to be modified or disclaimed as the facts or circumstances dictate.

The City has the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, and for the substantial accuracy of the financial statements. Such are the representations of the City. In addition, it is understood that the examination is not primarily designed and cannot be relied upon to disclose defalcations and other similar irregularities, although their discovery may result. If irregularities are discovered, Auditor will report such irregularities to the City Manager, Director of Finance, or Assistant Director of Finance as deemed appropriate.

City may request additional hours for auditing services at the rate set forth in Exhibit B, Auditor's Response to the RFP for additional services.

4. **Fees.** City agrees to make progress payments on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of no less than one calendar month.

Interim billings must include detail which reflects hours worked by staffing levels and the remaining estimated hours to completion. Invoices received without this information will be returned unpaid.

Invoices for single audit services shall be prepared using the same detail specifications and timing for other billings mentioned previously. Invoices for single audit services shall not include any items other than those performed in connection with the single audit. Interim billings shall be sent based on percent of work completed, with final payment upon delivery of the Single Audit Reports.

5. **Confidential Information.** Auditor agrees that it will not at any time, either directly or indirectly, disclose or communicate to any person, firm, or corporation in any manner whatsoever any information of any kind or description concerning any matters affecting or relating to the business of the City whether or not any or all such matters would otherwise be deemed confidential material, unless otherwise pursuant to law or is so directed by the City.
6. **Amendments.** This contract may be modified or amended by mutual agreement of the parties. No waiver, modification, or amendment of any term, condition, or provision of this contract will be valid, or of any force or effect, unless made in writing and signed by the parties hereto.
7. **Termination.** This Agreement may be terminated in accordance with the following:
 - a. The City shall have the right to terminate this Agreement as follows:
 - a. Immediately for continuing non-performance or breach of contract in accordance with Section 16 of the RFP, if the breach or non-performance has not been cured after 15 days' written notice to the Auditor.
 - b. Upon 30 days' written notice without cause

- c. In the event no funds or insufficient funds are appropriated by the City for any payments due hereunder, in any fiscal year during this engagement, or any renewal term, the City will notify Auditor of such occurrence and the City shall have the right to terminate this Agreement without penalty or expense to the City; however, the City shall pay Auditor for all expenses incurred up to the date of termination.
- b. Auditor's Right to Terminate:
 - a. Upon 30 days' written notice without cause
 - b. Upon non-payment after 30 days in accordance with Exhibit C, Engagement Letter

Upon termination by either party, FORVIS shall provide all documentation deemed necessary by the successor auditor to complete the respective year ending of the City's financial statements.

- 8. **No Waiver.** A failure by the City to initiate action as to any breach shall not be deemed as a waiver of that right of action and all such initiated rights of action shall be cumulative.
- 9. **Governing Law.** This contract shall be governed by and construed and enforced in accordance with the laws of the State of Texas.
- 10. **Venue.** This contract shall be deemed to have been made and performed in Tarrant County, Texas. For purposes of venue, all suits or causes of action arising out of this contract shall be brought in the courts of Tarrant County, Texas.
- 11. **Counterparts.** It is agreed between the City and the Auditor that the contract shall be executed in an original and two (2) copies, any one of which may be used for any purposes for which the original may be used.
- 12. **Independent Contractor.** It is the intent of the parties that nothing contained herein shall be interpreted to assign to Auditor any status under this Agreement other than that of an independent contractor.
- 13. **Conflicts.** Auditor covenants that to the best of its knowledge, neither it nor any of its partners or employees presently has any interest and shall not acquire any interest, direct or indirect, financial or otherwise, in any matters subject to audit by the City or that would conflict in any manner or degree with the performance of services under this Agreement and that none of its partners are employees of the City, and that no one employed by the Auditor and no one who has or will have any financial interest under this Agreement is an officer or employee of the City.
- 14. **Non-Discrimination.** No discrimination because of race, color, sex, age, handicap, national origin, ancestry, or religion shall be made in the employment of persons performing services under this contract. Auditor covenants that it will comply with all nondiscrimination provisions of applicable federal law or executive order in the performance of this Agreement.

15. **Indemnification.** As between the City and Auditor, the Auditor shall assume responsibility and liability only for any damage, loss, or injury caused by or resulting from the negligent acts or omissions of the Auditor, or any of its officers, agents, servants, or employees, arising from the performance of work under this Agreement. The Auditor shall indemnify and hold harmless the City and all of its offices, agents, servants, or employees from and against any and such claims, loss, damage, charge, or expense to which they or any of them may reasonably be put or subjected by reason of any such negligent acts, but only if an adjudication of negligence is made against the Auditor. The Auditor expressly agrees to provide professional time, at no additional fee, required in the defense against any claim brought or actions filed against the City, where such claim or action arises from the negligent acts, but only if an adjudication of negligence is made against the Auditor.
16. **Insurance.** The Auditor certifies, and will provide insurance certificate with the signed Agreement, that it carries the following types of insurance:
- A. Statutory workers' compensation insurance or proof that such coverage is not required to be provided by Auditor under State law.
 - B. Professional liability insurance on the contractual services in this contract with minimum limit of \$1,000,000.
 - C. Comprehensive liability insurance covering all operations and automobiles owned and non-owned.
 - i. With limits of \$100,000/\$300,000 bodily injury
 - ii. With limit of \$50,000 property damage
 - D. Umbrella or excess coverage cannot be used to reach the limits stated in B and C.
17. **Assignment.** This Agreement being one for professional services cannot be transferred, assigned, or sublet without the prior written approval of the City.
18. **Entirety of Agreement.** This document, including all attachments and exhibits listed above, contain the entire agreement between the parties and shall not be altered, varied, or modified unless made in writing and signed by the parties hereto. There are no understandings, representations, or agreements, written or oral, not incorporated herein. The terms of the engagement will also be confirmed in the annual engagement letter.
19. **Notices.** Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, or (4) by other overnight carrier upon confirmation of delivery, addressed as follows:

FORVIS, LLP

ATTN: Rachel O'Quinn, Partner
14241 Dallas Parkway, Suite 1150
Dallas, TX 75254

CITY

City of North Richland Hills
4301 City Point Drive
North Richland Hills, TX 76180

20. **Force Majeure.** The City and Auditor shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.
21. **Headings Not Controlling.** Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.
22. **Signature Authority.** The person signing this Agreement hereby warrants that he/she has the legal authority to execute this Agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. Each party is fully entitled to rely on these representations in entering into this Agreement or any amendment hereto.

IN WITNESS WHEREOF, the parties have made and executed this Agreement the day and year written above.

AUDITOR:
FORVIS, LLP

Rachel O'Quinn
Name, Partner

Date: 10/30/23

CITY OF NORTH RICHLAND
HILLS, TEXAS

Mark Hindman, City Manager

Date: _____

Witness:

Signature

Approved to Form and Legality:

Maleshia B. McGinnis, City Attorney

Attest:

Alicia Richardson, City Secretary