



1500 Walnut Street, Suite 1600, Philadelphia, PA 19102  
Telephone 215-561-9160 [www.picapa.org](http://www.picapa.org)

May 11, 2017

Maher Duessel  
3003 N. Front Street  
Suite 101  
Harrisburg, PA 17110

Re: Auditing Services

Dear Ms. Rash:

This letter shall set forth the terms upon which the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") will engage Maher Duessel (the "Company") to provide auditing services (the "Services"), as described in Exhibit A, for the Authority. This letter, including all appendices hereto, shall hereinafter be referred to as the "Agreement". This Agreement constitutes the complete and entire understanding between the Authority and the Company with respect to the Services and supersedes all prior or contemporaneous promises, representations and warranties, oral or written. Any amendment or modification of this Agreement must be approved in writing by both the Authority and the Company.

Intending to be legally bound hereby, the Authority and the Company hereby agree as follows:

1. Services: The Company shall perform the Services and shall assign Ms. Tracey L. Rash, CPA, CGFM as the lead on the engagement. The Services shall be provided in accordance with such schedule as the Authority and the Company may mutually agree to in writing from time to time, provided that the completion date of the Services under this Agreement, shall be no later than 120 days after the Authority's fiscal year end, in accordance with the Pennsylvania Intergovernmental Cooperation Authority Act (the "PICA Act"); this date is subject to change at the sole discretion of the Authority, due to its being contingent upon the City of Philadelphia's timeframe for preparation of its own statements.

The Company agrees to provide the Authority the Services described in Exhibit A (which Exhibit A contains the Company's proposal submitted to the Authority in response to the Authority's request for proposals) and in accordance with generally accepted auditing principles (GAAP) and Government Auditing Standards Board (GASB).

2. Initial Term: The initial term of this Agreement (the "Initial Term") shall be from the date of this Agreement to and including December 31, 2017.
3. Additional Terms: The Authority, at its sole option, can amend this Agreement to add, on an annual basis, up to two (2) successive one year terms beginning on January 1 and ending on

December 31 ("Additional Terms"). The same terms and conditions applicable in the "Initial Term", other than the cost of services, shall be applicable to the "Additional Terms". The Authority shall give Company no less than thirty (30) days written notice of its intent to amend this Agreement to add an Additional Term prior to the beginning of each annual Additional Term. There shall be no liability or penalty to the Authority for electing not to amend the term of the Agreement to add Additional Terms. Each Additional Term of this Agreement shall be deemed to constitute a separate Agreement, whose term shall not exceed one (1) year.

4. Compensation: For the "Initial Term" the Company shall be entitled to compensation for providing the Services for a fixed fee of \$37,330, inclusive of all travel costs and other out-of-pocket expenses and based on an estimated 365 hours of work. If the Authority elects to amend this Agreement to add any Additional Terms, the fees will be \$38,420 for the first Additional Term and \$39,525 for the second Additional Term. The fee shall be due upon receipt by the Authority, from the Company, of its final audited financial statements and the auditor's report thereon. The Company shall submit invoices in reasonable detail to the Authority showing the amount of time spent and services performed. Payment of all invoices submitted to the Authority in proper form shall be made by the Authority within 30 days after receipt by the Authority of such invoices.

If Company invoices remain unpaid, or if the Authority communicates a refusal to pay the invoices, the Company reserves the right to stop work on Services covered by the Agreement.

5. Consultation: The Company agrees to consult with and keep the Authority fully informed as to the progress of the Services and all other matters covered by this Agreement. The Company will prepare a separate specific request for necessary information to complete the Services including: documents, employee data and asset information. The Authority agrees to use its best efforts to provide the Company with timely data, feedback and decisions to meet all objectives of the Agreement. The Company will not be held responsible for delays in performance when the delay is due to a failure, on the part of the Authority, to provide information in a timely manner.
6. Confidentiality. The Company will preserve the confidentiality of any information received from the Authority in accordance with all legal and professional requirements and as otherwise provided in this Agreement. The Authority will honor all of the Company's copyrights, patents and trademarks relating to the Company's Services. The Company's copyrights, patents and trademarks include any software systems, actuarial methodologies, or other technical systems. The Authority does not have any right, title or interest in any hardware, software, benefit payment or benefit administration systems owned and copyrighted by the Company.
7. Subcontracting: The Company may not assign, delegate, transfer or subcontract all or any part of its rights or responsibilities under this Agreement without the prior express written consent of the Authority. Any assignee or subcontractor expressly approved by the Authority is herein referred to as a "Subcontractor". For the purposes of this Agreement, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge or other transfer of any ownership interest in the Company or the duties under this Agreement.
8. Ownership of Information: All documents, data, reports, records and other information (collectively, the "Information") acquired or produced by the Company in carrying out and performing the Services, whether such Information is in preliminary or final form, are and

shall remain the sole property of the Authority. The Authority shall have the right to use all such Information without restriction or limitation and without any additional compensation to the Company, and the Company shall have no right or interest therein. No Information shall be disclosed or furnished by the Company or any Subcontractors to, or discussed by, the Company or any Subcontractors with any person, firm or entity other than the officers and employees of the Company and the Subcontractors (but only in the ordinary course of business in providing the Services) or the Authority without the express prior written consent of the Authority and shall be kept strictly confidential. There are no intended third-party beneficiaries to this Agreement. The Company's obligations are solely to the Authority.

9. Conflict of Interest: The Company covenants that neither it nor any Subcontractors has or will have any undisclosed public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest, which does or may conflict in any manner with the performance of the Services under this Agreement. Any such conflicts shall be promptly disclosed to the Authority. The Company further covenants that, in the performance of this Agreement, no person having such interest shall be employed by or associated with the Company.
10. Independent Contractor: In performing the Services required by this Agreement, the Company will act as an independent contractor and not as an employee or agent of the Authority. This Agreement is not intended to be, nor shall it be construed as, a joint venture, association, partnership, franchise or other form of business organization. The Authority shall have no liability for any actions of the Company or any Subcontractors under this Agreement.
11. Termination: Notwithstanding any contrary provision in this Agreement, this Agreement may be terminated at any time, with or without cause, at the convenience of the Authority upon not less than seven (7) days' prior written notice by the Authority to the Company. If the Authority elects to terminate this Agreement as a result of the Company's non-performance or unsatisfactory performance, or as a result of the Company's breach of this Agreement, no compensation shall be due to the Company under this Agreement for any further work or for the work not performed or properly determined to be unsatisfactory, and the Authority shall have all rights and remedies available to it under this Agreement and applicable law, including the right to seek damages. The Authority, in addition to any other rights provided in this paragraph, may require the Company to transfer title and deliver immediately to the Authority, in the manner and to the extent directed by the Authority, any and all partially completed work, including, where applicable, reports, working papers, and other documentation, as the Company has specifically produced or specifically acquired for the performance of such part of the Agreement as has been terminated.
12. Non-discrimination/Sexual Harassment: The Company and all Subcontractors shall comply with all applicable provisions of state and federal laws, rules and regulations pertaining to non-discrimination, sexual harassment, and equal employment opportunity, including the provisions of the Non-discrimination/Sexual Harassment Clause, which is attached hereto as Appendix B and incorporated in this Agreement by reference.
13. Integrity Provisions: The Company and all Subcontractors shall comply with the Subcontractor Integrity Provisions which are attached hereto as Appendix C and incorporated in this Agreement by reference.

14. Responsibility Provisions: The Company and all Subcontractors shall comply with the Responsibility Provisions which are attached hereto as Appendix D and incorporated in this Agreement by reference.
15. Americans with Disabilities Act: The Company and all Subcontractors shall comply with the Americans with Disabilities Act in accordance with Appendix E attached hereto and incorporated herein by reference.
16. Audit Provisions: This Agreement is subject to audit by agencies of the Commonwealth of Pennsylvania (the "Commonwealth") and their designated representatives, including audits of actual costs incurred for this Agreement. The Company agrees to maintain records that will support the prices charged and costs incurred for this Agreement. At the direction of the Authority or the Commonwealth, all of the Company's books and records related to this Agreement shall be made available for audit at a site designated by the Authority or the Commonwealth.
17. Preservation of Records. The Company shall preserve books, documents, and records sufficient to justify the charges billed to the Authority for three (3) years after expiration of this Agreement, or until all questioned items are resolved after the Services are furnished under this Agreement, whichever occurs last. The Company shall give full and free access to all records to the Authority and its authorized representatives.
18. Offset Provisions: The Company agrees that the Authority may set off the amount of any state tax liability or other debt of the Company that is owed to the Commonwealth and not being contested on appeal against any payments due the Company under this Agreement.
19. Indemnification and Hold Harmless Clause: The Company shall indemnify the Authority and hold the Authority harmless from any and all claims, demands, liabilities, costs and actions based upon or arising out of any activities performed by the Company and any Subcontractors and their respective employees and agents under this Agreement and shall, at the request of the Authority, defend any and all actions brought against the Authority based upon any such claims, demands, liabilities, costs and actions.
20. Notice: Any written notice to the Authority under this Agreement shall be sufficient if mailed by certified mail or hand delivered to:

Harvey M. Rice, Esquire  
Executive Director  
Pennsylvania Intergovernmental Cooperation Authority  
1500 Walnut Street, Suite 1600  
Philadelphia, PA 19102

Any written notice to the Company under this Agreement shall be sufficient if mailed by certified mail or hand delivered to:

Tracey L. Rash, CPA, CGFM  
Maher Duessel  
3003 N. Front Street  
Suite 101  
Harrisburg, PA 17110

- 21. Force Majeure: No party to this Agreement shall be in default of this Agreement to the extent that any delay or failure in performance of its obligations results from any cause beyond its reasonable control such as Acts of God, acts of civil or military unrest, national emergencies, embargoes, epidemics, war, riots, insurrections, acts of terrorism, fires, accidents, explosions, earthquakes, floods, unusually severe weather conditions and equipment failures or failure of the mails, transportation or third party communication facilities or power supply, sabotage, labor trouble, strike, lockout or injunction (whether or not such labor event is within the reasonable control of either party) or any other similar cause beyond the reasonable control of a party. When a party's delay or nonperformance continues for a period of at least ninety (90) days or such longer period permitted by relevant federal government notices as might relate to the Services, the other party may terminate this Agreement upon ten (10) days prior written notice and the compensation due to the Company will be adjusted on such equitable basis as the parties may agree. All timetables and schedules, if any, will be extended for the duration of the circumstances beyond the control of the party.
- 22. Representatives: The Authority and the Company shall each designate representatives authorized to take routine actions and make routine decisions with respect to the Project and this Agreement in order to avoid unreasonable delay in the progress of the Services.
- 23. Insurance: The Company shall obtain and maintain at all times commercial general liability insurance in the minimum amount of \$1,000,000 per occurrence with a general aggregate of \$2,000,000. The policies for such insurance shall be issued by financially sound insurance companies and shall name the Authority as an additional insured. The Company shall furnish proof of such insurance to the Authority promptly upon request of the Authority from time to time.
- 24. Severability: Should any part of this Agreement be rendered or declared invalid by a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions thereof, which shall remain in full force and effect. It is further agreed that if any part of the Agreement is determined invalid, either party may open negotiations solely with respect to a substitute for such Article, Section, or portion only.
- 25. Applicable Law: This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania. The Company consents to the jurisdiction of any court of the Commonwealth and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Company agrees that any such court shall have *in personam* jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.


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[Signature Page Follows]

If you are in agreement with the foregoing, please countersign this letter in the space provided below.

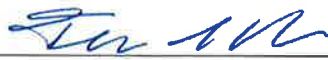
Very truly yours,

PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY

By   
Name: Harvey M. Row  
Title: Executive Director  
Date: 6-6-17

Accepted and Agreed as of  
the date first above-written:

MAHER DUESSEL

By   
Name: Tracey L. Rash  
Title: Vice President  
Date: 6-6-17

**Exhibit A**  
**DESCRIPTION OF SERVICES**