

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**NOVEMBER 25, 2008 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Municipal Utility Tax Audit Services	Resolution Ordinance ✓ Motion Discussion Only	Judy Buttny Finance Director

**SYNOPSIS**

A motion has been prepared to authorize the execution of a contract for Municipal Utility Tax Audit Services with Azavar Audit Solutions, Inc.

**STRATEGIC PLAN ALIGNMENT**

The Five Year Plan Goals for 2007-2012 identified *Exceptional Municipal Organization*. A supporting objective is *Financially Sound and Sustainable Village Government*.

**FISCAL IMPACT**

There is no additional expense to the Village. Any revenues discovered by Azavar would be shared with them on a contingency basis. The Village of Downers Grove will pay Azavar fifty (50) percent of any retroactive receipt of uncollected taxes recovered by the Village from any audited utility or cable provider. The Village will pay Azavar forty (40) percent of funds recovered on future revenues for the term of the contract, which is two years after they complete the audit.

**RECOMMENDATION**

Approval on the December 2, 2008 consent agenda.

**BACKGROUND**

A municipal utility tax audit is intended to ensure that the Village is receiving all the tax revenue it should from utility providers, such as electric (ComED), gas (NICOR), telecommunications (multiple), as well as cable (Comcast). The purpose of each audit is to recover past taxes that were not properly collected and remitted to the Village, and to collect these taxes on an ongoing basis.

A Request for Proposal was distributed and advertised on the E-procurement web-site on July 21, 2008 for Municipal Utility Tax Audit Services. Two (2) vendors responded: Azavar Audit Solutions, Inc, and AM Audit. Both companies have provided similar services to a number of municipalities throughout the state. Staff has reviewed both proposals and determined each firm is qualified to complete the audit. Staff recommends contracting with AZAVAR due to their more favorable pricing schedule.

The scope of the audit would include a review of Village franchise agreements and tax structure. As part of the audit, Azavar would review billing data from utility companies using their proprietary software. This software allows them the ability to analyze large utility databases.

Azavar serves over 80 municipalities in Illinois. The municipalities range in size from 500 to 150,000. Following is a partial listing of Azavar clients:

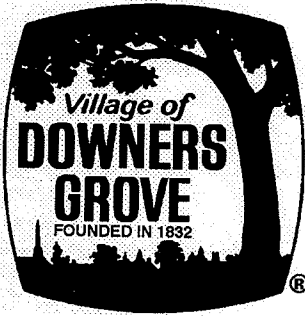
- City of Evanston
- City of Rockford
- Village of Roselle
- Village of Westmont

- Village of Woodridge
- City of Des Plaines

Azavar's program is conducted on a contingency basis. The Village of Downers Grove will pay fifty (50) percent of any retroactive taxes recovered for and/or by the Village from any audited utility or cable provider. The Village will pay Azavar forty (40) percent of funds recovered for the term of the contract, which is two years after they complete the audit. Upon completion of the audit Azavar will formally present their findings and will begin a tax recovery stage if taxes are due. Additionally, Azavar can provide ongoing assistance if necessary to ensure the continued correct collection of taxes.

**ATTACHMENTS**

Request for Proposal



## REQUEST FOR PROPOSAL

**Name of Proposing Company:** Azavar Audit Solutions, Inc.

Project Name: MUNICIPAL UTILITY TAX AUDIT SERVICES  
Proposal No.: 002-08  
Proposal Due: August 11, 2008, 2:00 p.m.  
Pre-Proposal Conference: None  
**Required of All Proposers:**  
Deposit: No  
Letter of Capability of Acquiring Performance Bond: No

**Required of Awarded Contractor:**  
Performance Bond/Letter of Credit: No  
Certificate of Insurance: No

Legal Advertisement Published: July 21, 2008  
Date Issued: July 21, 2008  
This document consists of 29 pages.

Return **original** and **two duplicate copies** of proposal in a **sealed envelope** marked with the Proposal Number as noted above to:

THERESA H. TARKA  
PURCHASING ASSISTANT  
VILLAGE OF DOWNERS GROVE  
801 BURLINGTON AVENUE  
DOWNERS GROVE, IL 60515  
PHONE: 630/434-5530  
FAX: 630/434-5571  
[www.downers.us](http://www.downers.us)

Village of Downers Grove

The VILLAGE OF DOWNERS GROVE will receive proposals Monday thru Friday, 8:00 A.M. to 5:00 P.M. at the Village Hall, 801 Burlington Avenue, Downers Grove, IL 60515.

**SPECIFICATIONS MUST BE MET AT THE TIME THE PROPOSAL IS DUE.**

The Village Council reserves the right to accept or reject any and all proposals, to waive technicalities and to accept or reject any item of any proposal.

The documents constituting component parts of this contract are the following:

- I. REQUEST FOR PROPOSALS
- II. TERMS & CONDITIONS
- III. DETAILED SPECIFICATIONS
- IV. PROPOSAL/CONTRACT FORM

**DO NOT DETACH ANY PORTION OF THIS DOCUMENT. INVALIDATION COULD RESULT.** Proposers MUST submit an original, and 2 additional paper copies of the total proposal. Upon formal award of the proposal, the successful Proposer will receive a copy of the executed contract.

## **I. REQUEST FOR PROPOSALS**

### **1. GENERAL**

- 1.1 Notice is hereby given that Village of Downers Grove will receive sealed proposals up to **August 11, 2008, 2:00 p.m.**
- 1.2 Proposals must be received at the Village of Downers Grove by the time and date specified. Proposals received after the specified time and date will not be accepted and will be returned unopened to the Proposer.
- 1.3 Proposal forms shall be sent to the Village of Downers Grove, ATTN: **Theresa Tarka**, in a sealed envelope marked "SEALED PROPOSAL". The envelope shall be marked with the name of the project, date, and time set for receipt of proposals.
- 1.4 All proposals must be submitted on the forms supplied by the Village and signed by a proper official of the company submitting proposal. Telephone, email and fax proposals will not be accepted.
- 1.5 By submitting this proposal, the proposer certifies under penalty of perjury that they have not acted in collusion with any other proposer or potential Proposer.

### **2. PREPARATION OF PROPOSAL**

- 2.1 It is the responsibility of the proposer to carefully examine the specifications and proposal documents and to be familiar with all of the requirements, stipulations, provisions, and conditions surrounding the proposed services.
- 2.2 No oral or telephone interpretations of specifications shall be binding upon the Village. All requests for interpretations or clarifications shall be made in writing and received by the Village at least five (5) business days prior to the date set for receipt of proposals. All changes or interpretations of the specifications shall be made by the Village in a written addendum to our proposer's of record.
- 2.3 In case of error in the extension of prices in the proposal, the hourly rate or unit price will govern. In case of discrepancy in the price between the written and numerical amounts, the written amount will govern.
- 2.4 All costs incurred in the preparation, submission, and/or presentation of any proposal including any proposer's travel or personal expenses shall be the sole responsibility of the proposer and will not be reimbursed by the Village.
- 2.5 The proposer hereby affirms and states that the prices quoted herein constitute the total cost to the Village for all work involved in the respective items and that this cost also includes all insurance, royalties, transportation charges, use of all tools and equipment, superintendence, overhead expense, all profits and all other work, services and conditions necessarily involved in the work to be done and materials to be furnished in accordance

with the requirements of the Contract Documents considered severally and collectively.

**3. PRE- PROPOSAL CONFERENCE**

3.1 A pre-proposal conference may be offered to provide additional information, inspection or review of current facilities or equipment, and to provide an open forum for questions from proposers. This pre-proposal conference is not mandatory (unless stated "Required" on the cover of this document), but attendance by proposers is strongly advised as this will be the last opportunity to ask questions concerning the proposal.

3.2 For those unable to attend the meeting, questions may be posed in writing to the Village (faxed and emailed questions are acceptable), but must be received by the Village prior to the scheduled time for the pre-proposal conference. Questions received will be considered at the conference. An addendum may be issued as a result of the pre-proposal conference. Such an addendum is subject to the provisions for issuance of an addendum as set forth in the section titled "Addenda".

**4. MODIFICATION OR WITHDRAWAL OF PROPOSALS**

4.1 A Proposal that is in the possession of the Village may be altered by a letter bearing the signature or name of person authorized for submitting a proposal, provided that it is received prior to the time and date set for the bid opening. Telephone, email or verbal alterations of a proposal will not be accepted.

4.2 A Proposal that is in the possession of the Village may be withdrawn by the proposer, up to the time set for the proposal opening, by a letter bearing the signature or name of person authorized for submitting proposals. Proposals may not be withdrawn after the proposal opening and shall remain valid for a period of ninety (90) days from the date set for the proposal opening, unless otherwise specified.

**5. SECURITY FOR PERFORMANCE**

5.1 The awarded contractor, within thirteen (13) calendar days after acceptance of the proposer's proposal by the Village, shall furnish security for performance acceptable to the Village when required under the documents. Such security shall be either a satisfactory performance bond (bonding company must be licensed to do business in Illinois) or a letter of credit on the form provided by the Village and available from the Village's Purchasing Manager. Any bond shall include a provision as will guarantee faithful performance of the Illinois Prevailing Wage Act, 820 ILCS 130/1 et seq. **NOTE: As evidence of capability to provide such security for performance, each proposer shall submit with the proposal either a letter executed by its surety company indicating the proposer's performance bonding capability, or a letter from a bank or savings and loan within twenty-five miles of the corporate boundaries of the Village indicating its willingness and intent to provide a letter of credit for the proposer.**

**6. DELIVERY**

6.1 All proposal prices are to be quoted, delivered F.O.B. Village of Downers Grove, 801 Burlington, Downers Grove, IL 60515.

**7. TAX EXEMPTION**

- 7.1 The Village is exempt from Illinois sales or use tax for direct purchases of materials and supplies. A copy of the Illinois Sales Tax Exemption Form will be issued upon request. Our federal identification will also be provided to selected vendor.

**8. RESERVED RIGHTS**

- 8.1 The Village of Downers Grove reserves the exclusive right to waive sections, technicalities, irregularities and informalities and to accept or reject any and all proposals and to disapprove of any and all subcontractors as may be in the best interest of the Village. Time and date requirements for receipt of proposal will not be waived.

**II. TERMS AND CONDITIONS**

**9. VILLAGE ORDINANCES**

- 9.1 The successful proposer will strictly comply with all ordinances of the Village of Downers Grove and laws of the State of Illinois.

**10. USE OF VILLAGE'S NAME**

- 10.1 The proposer is specifically denied the right of using in any form or medium the name of the Village for public advertising unless express permission is granted by the Village.

**11. SPECIAL HANDLING**

- 11.1 Prior to delivery of any product which is caustic, corrosive, flammable or dangerous to handle, the Proposer will provide written directions as to methods of handling such products, as well as the antidote or neutralizing material required for its first aid before delivery. Proposer shall also notify the Village and provide material safety data sheets for all substances used in connection with this contract which are defined as toxic under the Illinois Toxic Substances Disclosure to Employees Act.

**12. INDEMNITY AND HOLD HARMLESS AGREEMENT**

- 12.1 To the fullest extent permitted by law, the Proposer shall indemnify, keep and save harmless the Village and its agents, officers, and employees, against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses, which may arise directly or indirectly from any negligence or from the reckless or willful misconduct of the Proposer, its employees, or its subcontractors, and the Proposer, its employees, or its subcontractors, and the Proposer shall at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith, and, if any judgment shall be rendered against the Village in any such action, the Proposer shall, at its own expense, satisfy and discharge the same. This Agreement shall not be construed as requiring the Proposer to indemnify the Village for its own negligence. The Proposer shall indemnify, keep and save harmless the Village only where a loss was caused by the negligent, willful or reckless acts or omissions of the Proposer, its employees, or its Subcontractors.

**13. NONDISCRIMINATION**

13.1 Proposer shall, as a party to a public contract:

- (a) Refrain from unlawful discrimination in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
- (b) By submission of this proposal, the Proposer certifies that he is an "equal opportunity employer" as defined by Section 2000(e) of Chapter 21, Title 42, U.S. Code Annotated and Executive Orders #11246 and #11375, which are incorporated herein by reference. The Equal Opportunity clause, Section 6.1 of the Rules and Regulations of the Department of Human Rights of the State of Illinois, is a material part of any contract awarded on the basis of this proposal.

13.2 It is unlawful to discriminate on the basis of race, color, sex, national origin, ancestry, age, marital status, physical or mental handicap or unfavorable discharge for military service. Proposer shall comply with standards set forth in Title VII of the Civil Rights Act of 1964, 42 U.S.C. Secs. 2000 et seq., The Human Rights Act of the State of Illinois, 775 ILCS 5/1-101 et. seq., and The Americans With Disabilities Act, 42 U.S.C. Secs. 12101 et. seq.

**14. SEXUAL HARASSMENT POLICY**

14.1 The proposer, as a party to a public contract, shall have a written sexual harassment policy that:

- 14.1.1 Notes the illegality of sexual harassment;
- 14.1.2 Sets forth the State law definition of sexual harassment;
- 14.1.3 Describes sexual harassment utilizing examples;
- 14.1.4 Describes the Proposer's internal complaint process including penalties;
- 14.1.5 Describes the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Human Rights Commission and how to contact these entities; and
- 14.1.6 Describes the protection against retaliation afforded under the Illinois Human Rights Act.

**15. EQUAL EMPLOYMENT OPPORTUNITY**

15.1 In the event of the Proposer's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the Proposer may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the



Village of Downers Grove

performance of this contract, the Proposer agrees as follows:

- 15.1.1 That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, sexual orientation, sexual identity or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
- 15.1.2 That, if it hires additional employees in order to perform this contract or any portion thereof, it will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
- 15.1.3 That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military services.
- 15.1.4 That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the Proposer's obligations under the Illinois Human Rights Act and the Department's Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the Proposer in its efforts to comply with such Act and Rules and Regulations, the Proposer will promptly so notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.
- 15.1.5 That it will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 15.1.6 That it will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purpose of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.
- 15.1.7 That it will include verbatim or by reference the provisions of this clause in every subcontract it awards under which any portion of the contract obligations are

undertaken or assumed, so that such provisions will be binding upon such subcontractor. In the same manner as with other provisions of this contract, the Proposer will be liable for compliance with applicable provisions of this clause by such subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply therewith. In addition, the Proposer will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivision or municipal corporations.

**16. DRUG FREE WORK PLACE**

Proposer, as a party to a public contract, certifies and agrees that it will provide a drug free workplace by:

- 16.1 Publishing a statement: (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the Village's or proposer's workplace. (2) Specifying the actions that will be taken against employees for violations of such prohibition. (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will: (A) abide by the terms of the statement; and (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- 16.2 Establishing a drug free awareness program to inform employee's about: (1) the dangers of drug abuse in the workplace; (2) the Village's or proposer's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; (4) the penalties that may be imposed upon employees for drug violations.
- 16.3 Providing a copy of the statement required above to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
- 16.4 Notifying the contracting or granting agency within ten (10) days after receiving notice of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction from an employee or otherwise receiving actual notice of such conviction.
- 16.5 Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted as required by section 5 of the Drug Free Workplace Act.
- 16.6 Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation is required and indicating that a trained referral team is in place.

16.7 Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

**17. PREVAILING WAGE ACT**

17.1 Proposer agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 *et seq.*, for all work completed under this contract. Proposer agrees to pay the prevailing wage and require that all of its subcontractors pay prevailing wage to any laborers, workers or mechanics who perform work pursuant to this contract or related subcontract. For applicable rates, go to the State of Illinois – Department of Labor website and use the most current DuPage County rate.

17.2 Proposer and each subcontractor shall keep or cause to be kept an accurate record of names, occupations and actual wages paid to each laborer, workman and mechanic employed by the Proposer in connection with the contract. This record shall be open to inspection at all reasonable hours by any representative of the Village or the Illinois Department of labor and must be preserved for four (4) years following completion of the contract.

17.3 In the event this is a contract for a “fixed public works” project, as defined in 820 ILCS 130/2, Proposer agrees to post at the job site in an easily accessible place, the prevailing wages for each craft or type of worker or mechanic needed to execute the contract or work to be performed.

17.4 In the event this is an Illinois public works project as defined under the Prevailing Wage Act, 820 ILCS 130/2, any and all contractors and subcontractors must submit certified payroll records to the Village on a monthly basis. **WITHOUT THIS PAPERWORK, NO INVOICE SHALL BE PAID BY THE VILLAGE.** Contractors and subcontractors must also submit a statement affirming that the records are true and accurate, that the wages paid to each worker are not less than the prevailing rate, and that the contractor and subcontractor are aware that filing false records is a Class B misdemeanor. The records must include the name, address, telephone number, social security number, job classification, hours of work, hourly rate, and start and end time of work each day for every worker employed on the public work. The Village reserves the right to check the pay stubs of the workers on the job. The Village further cautions that payment for any services rendered pursuant to this contract may be predicated upon receipt of said records.

17.5 In the event that this is a construction project where Motor Fuel tax monies or state grant monies are used in the construction, maintenance and extension of municipal streets, traffic control signals, street lighting systems, storm sewers, pedestrian subways or overhead crossings, sidewalks and off-street parking facilities, and the like, the Village will require an Apprenticeship and Training Certification, attached after the Proposer’s Certification.

17.6 Any bond furnished as security for performance shall include a provision as will

guarantee faithful performance of the Illinois Prevailing Wage Act, 820 ILCS 130/1 et seq.

**18. INSURANCE REQUIREMENTS**

18.1 Prior to starting the work, Contractor and any Subcontractors shall procure, maintain and pay for such insurance as will protect against claims for bodily injury of death, or for damage to property, including loss of use, which may arise out of operations by the Contractor or Subcontractor or any Sub-Sub Contractor or by anyone employed by any of them, or by anyone for whose acts any of them may be liable. Such insurance shall not be less than the greater of coverages and limits of liability specified below or any coverages and limits of liability specified in the Contract Documents or coverages and limits required by law unless otherwise agreed to by the Village.

Workers Compensation	\$500,000	Statutory
Employers Liability	\$1,000,000	Each Accident
	\$1,000,000	Disease Policy Limit
	\$1,000,000	Disease Each Employee
Comprehensive General Liability	\$2,000,000	Each Occurrence
	\$2,000,000	Aggregate <i>(Applicable on a Per Project Basis)</i>
Commercial Automobile Liability	\$1,000,000	Each Accident
Professional Errors & Omissions (pursuant to section .9 below)	\$2,000,000	Each Claim
	\$2,000,000	Annual Aggregate
Umbrella Liability	\$ 5,000,000	

18.2 Commercial General Liability Insurance required under this paragraph shall be written on an occurrence form and shall include coverage for Products/Completed Operations, Personal Injury with Employment Exclusion (if any) deleted, Blanket XCU and Blanket Contractual Liability insurance applicable to defense and indemnity obligations and other contractual indemnity assumed under the Contract Documents. The limit must be on a "Per Project Basis"

18.3 Comprehensive Automobile Liability Insurance required under this paragraph shall include coverage for all owned, hired and non-owned automobiles.

18.4 Workers Compensation coverage shall include a waiver of subrogation against the

Village.

- 18.5 Comprehensive General Liability, Employers Liability and Commercial Automobile Liability Insurance may be arranged under single policies for full minimum limits required, **or** by a combination of underlying policies with the balance provided by Umbrella and/or Excess Liability policies.
- 18.6 Contractor and all Subcontractors shall have their respective Comprehensive General Liability (including products/completed operations coverage), Employers Liability, Commercial Automobile Liability, and Umbrella/Excess Liability policies endorsed to add the "Village of Downers Grove, officers, officials, employees and volunteers" as "additional insureds" with respect to liability arising out of operations performed; claims for bodily injury or death brought against Village by any Contractor or Subcontractor employees, or the employees of Subcontractor's subcontractors of any tier, however caused, related to the performance of operations under the Contract Documents. Such insurance afforded to the Village shall be endorsed to provide that the insurance provided under each policy shall be ***Primary and Non-Contributory***.
- 18.7 Contractor and all Subcontractors shall maintain in effect all insurance coverages required by the Contract Documents at their sole expense and with insurance carriers licensed to do business in the State of Illinois and having a current A. M. Best rating of no less than A- VIII. In the event that the Contractor or any Subcontractor fails to procure or maintain any insured required by the Contract Documents, the Village may, at its option, purchase such coverage and deduct the cost thereof from any monies due to the Contractor or Subcontractor, or withhold funds in an amount sufficient to protect the Village, or terminate this Agreement pursuant to its terms.
- 18.8 All insurance policies shall contain a provision that coverages and limits afforded hereunder shall not be canceled, materially changed, non-renewed or restrictive modifications added, without thirty (30) days prior written notice to the Village. Renewal certificates shall be provided to the Village not less than five (5) prior to the expiration date of any of the required policies. All Certificates of Insurance shall be in a form acceptable to Village and shall provide satisfactory evidence of compliance with all insurance requirements. The Village shall not be obligated to review such certificates or other evidence of insurance, or to advise Contractor or Subcontractor of any deficiencies in such documents, and receipt thereof shall not relieve the Contractor or Subcontractor from, nor be deemed a waiver the right to enforce the terms of the obligations hereunder. The Village shall have the right to examine any policy required and evidenced on the Certificate of Insurance.
- 18.9 Only in the event that the Work under the Contract Documents includes design, consultation, or any other professional services, Contractor or the Subcontractor shall procure, maintain, and pay for Professional Errors and Omissions insurance with limits of not less than \$2,000,000 per claim and \$2,000,000 annual aggregate. If such insurance is written on a claim made basis, the retrospective date shall be prior to the start of the Work

under the Contract Documents. Contractor and all Subcontractors agree to maintain such coverage for three (3) years after final acceptance of the Project by the Village or such longer period as the Contract Documents may require. Renewal policies during this period shall maintain the same retroactive date.

- 18.10 Any deductibles or self-insured retentions shall be the sole responsibility of the Insured. At the option of the Village, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Village, its officers, officials, employees and volunteers; or the Proposer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

**19. COPYRIGHT/PATENT INFRINGEMENT**

- 19.1 The Proposer agrees to indemnify, defend, and hold harmless the Village against any suit, claim, or proceeding brought against the Village for alleged use of any equipment, systems, or services provided by the Proposer that constitutes a misuse of any proprietary or trade secret information or an infringement of any patent or copyright.

**20. COMPLIANCE WITH OSHA STANDARDS**

- 20.1 Equipment supplied to the Village must comply with all requirements and standards as specified by the Occupational Safety and Health Act. All guards and protectors as well as appropriate markings will be in place before delivery. Items not meeting any OSHA specifications will be refused.

**21. CERCLA INDEMNIFICATION**

- 21.1 In the event this is a contract that has environment aspects, the Awarded Proposer shall, to the maximum extent permitted by law, indemnify, defend, and hold harmless the Village, its officers, employees, agents, and attorneys from and against any and all liability, including without limitation, costs of response, removal, remediation, investigation, property damage, personal injury, damage to natural resources, health assessments, health settlements, attorneys' fees, and other related transaction costs arising under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, 42 U.S.C.A. Sec. 9601, et seq., as amended, and all other applicable statutes, regulations, ordinances, and under common law for any release or threatened release of the waste material collected by the Awarded Proposer, both before and after its disposal.

**22. BUY AMERICA**

- 22.1 The Contractor agrees to comply with 49 U.S.C.5323(j), the Federal Transportation Administration's (FTA) Buy America regulations at 49 C.F.R. Part 661, and any amendments thereto, and any implementing guidance issued by the FTA, with respect to this contract, when financed by Federal funds (through a grant agreement or cooperative agreement).
- 22.2 As a condition of responsiveness, the Contractor agrees to submit with its Bid submission, an executed Buy America Certificate, attached hereto.

**23. CAMPAIGN DISCLOSURE**

- 23.1 Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.
- 23.2 The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.
- 23.3 Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.
- 23.4 By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

**24. SUBLETTING OF CONTRACT**

- 24.1 No contract awarded by the Village shall be assigned or any part sub-contracted without the written consent of the Village Manager. In no case shall such consent relieve the Awarded Proposer from their obligation or change the terms of the contract.

**25. TERM OF CONTRACT**

- 25.1 This contract may be extended no more than twice for subsequent annual periods (two annual extensions) by mutual agreement of both parties, providing such agreement complies with Village purchasing policies and the availability of funds. However, if this contract is not one that is subject to extension, such information will be available in the detailed specifications or special conditions section, supra.

**26. TERMINATION OF CONTRACT**

- 26.1 The Village reserves the right to terminate the whole or any part of this contract, upon written notice to the Awarded Proposer, for any reason and/or in the event that sufficient funds to complete the contract are not appropriated by the Village.
- 26.2 The Village further reserves the right to terminate the whole or any part of this contract, upon ten (10) days' written notice to the Awarded Proposer, in the event of default by the Awarded Proposer. Default is defined as failure of the Awarded Proposer to perform any of the provisions of this contract or failure to make sufficient progress so as to endanger performance of this contract in accordance with its terms. In the event that the Awarded Proposer fails to cure the default upon notice, and the Village declares default and termination, the Village may procure, upon such terms and in such manner as the Village may deem appropriate, supplies or services similar to those so terminated. The Awarded Proposer shall be liable for any excess costs for such similar supplies or services unless

acceptable evidence is submitted to the Village that failure to perform the contract was due to causes beyond the control and without the fault or negligence of the Awarded Proposer. Any such excess costs incurred by the Village may be set-off against any monies due and owing by the Village to the Awarded Proposer.

**27. BILLING & PAYMENT PROCEDURES**

- 27.1 Payment will be made upon receipt of an invoice referencing Village purchase order number. Once an invoice and receipt of materials or service have been verified, the invoice will be processed for payment in accordance with the Village payment schedule. The Village will comply with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq., in that any bill approved for payment must be paid or the payment issued to the Proposer within 60 days of receipt of a proper bill or invoice. If payment is not issued to the Proposer within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made.
- 27.2 The Village shall review in a timely manner each bill or invoice after its receipt. If the Village determines that the bill or invoice contains a defect making it unable to process the payment request, the Village shall notify the Proposer requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under 50 ILCS 505/1 et seq. The notice shall identify the defect and any additional information necessary to correct the defect.
- 27.3 If this contract is for work defined as a “fixed public work” project under the Illinois Prevailing Wage Act, 820 ILCS 130/2, any contractor or subcontractor is required to submit certified payroll records along with the invoice. No invoice shall be paid without said records.
- 27.4 Please send all invoices to the attention of Village of Downers Grove, Accounts Payable, 801 Burlington, Downers Grove, IL 60515.

**28. RELATIONSHIP BETWEEN THE PROPOSER AND THE VILLAGE**

- 28.1 The relationship between the Village and the Proposer is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other.

**29. STANDARD OF CARE**

- 29.1. Services performed by Proposer under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representations express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinions, and documents or otherwise.
- 29.2 If the Proposer fails to meet the foregoing standard, Proposer will perform at its own cost, and without reimbursement from the Village, the professional services necessary to



correct errors and omissions caused by Proposer's failure to comply with the above standard and reported to Proposer within one (1) year from the completion of Proposer's services for the Project.

- 29.3 For Professional Service Agreements (i.e. Engineer, Consultant): Project site visits by Proposer during construction or equipment installation or the furnishing of Project representatives shall not make Proposer responsible for: (i) constructions means, methods, techniques, sequences or procedures; (ii) for construction safety precautions or programs; or (iii) for any construction contractor(s') failure to perform its work in accordance with contract documents.

**30. GOVERNING LAW**

- 30.1 This Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard for the conflict of laws provisions. Venue is proper only in the County of DuPage and the Northern District of Illinois.

**31. SUCCESSORS AND ASSIGNS**

- 31.1 The terms of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that neither party will assign this Agreement in whole or in part without the prior written approval of the other. The Proposer will provide a list of key staff, titles, responsibilities, and contact information to include all expected sub Proposers.

**32. WAIVER OF CONTRACT BREACH**

- 32.1 The waiver by one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof will be limited to the particular instance and will not operate or be deemed to waive any future breaches of this Agreement and will not be construed to be a waiver of any provision except for the particular instance.

**33. AMENDMENT**

- 33.1 This Agreement will not be subject to amendment unless made in writing and signed by all parties.

**34. CHANGE ORDERS**

- 34.1 The contract price is a "not-to-exceed" cost. At any time additional work is necessary or requested, and the not-to-exceed price is increased thereby, any change, addition or price increase must be agreed to in writing by all parties. The appropriate authorizing signature for the Village is the Village Manager.

**35. SEVERABILITY OF INVALID PROVISIONS**

- 35.1 If any provisions of this Agreement are held to contravene or be invalid under the laws of any state, country or jurisdiction, contravention will not invalidate the entire Agreement, but it will be construed as if not containing the invalid provision and the rights or obligations of the parties will be construed and enforced accordingly.

**36. NOTICE**

36.1 Any notice will be in writing and will be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed, and addressed to the party at the party's place of business. Notices shall be addressed to the Village as follows:

**Village Manager  
Village of Downers Grove  
801 Burlington Ave.  
Downers Grove, IL 60515**

And to the Proposer as designated in the Contract Form.

### **III. DETAIL SPECIFICATIONS**

#### **MUNICIPAL UTILITY TAX AUDIT SERVICES**

##### **A. INTRODUCTION**

The Village of Downers Grove (Village) is hereby soliciting proposals from qualified vendors for the purpose of assisting the Finance Department in performing a Municipal Utility Tax Audits that generates revenue for the Village. This would entail a full audit of utility taxpayers for the following services: Electric (Commonwealth Edison)/ Exelon, Gas, (Nicor), Telecommunications (AT&T, Ameritech/SBC, mobile providers, and Cable (Franchise Fees): In conjunction with the revenue audit, the Village is also requesting an expense audit of our utility suppliers. Each of these audits may be submitted individually or as one proposal.

##### **B. SCOPE OF SERVICE**

This request for Proposal (RFP) identifies the requirements that are considered to be minimal by the Village. This RFP attempts to provide the proposer with sufficient information to fully understand the Village's requirements and environment in which the proposal must be developed and operated. **Notwithstanding any of the specific details described in this RFP, it will be the obligation of the proposer to provide a service that works in the accomplishment of the requirements identified in this document.** To aid the evaluation team in fully understanding each proposal submitted, and to ensure that full awareness is given to each aspect of the proposal, and deviation from the requirements specified in this document must be clearly noted and referenced to the subject area of the RFP. Please provide information on your methodology on how you will be conducting this Municipal Utility Tax Audit Services.

**The successful proposer will provide the following services:**

##### **UTILITY REVENUE**

- Determine the correctness and compliance with Utility Revenue agreements between Village of Downers Grove and utility companies.
- Determine the correctness of the billing and tariff cost to its Ordinances and Franchise Agreements.
- Identify areas of errors with missed revenue or taxation.
- Ensures that all residents and businesses are paying the correct level of taxes according to local and state tax laws.

- Provide detail reports of audit.
- Work with utility companies to resolve any taxation errors or fees.
- Engage in negotiations as necessary with utilities.
- Provide progress reports monthly.

#### **UTILITY EXPENSE**

- Review all utility tax charges, to the Village to determine if correct level of taxes are being charged.
- Review all locations being charged to the Village to determine if appropriate.
- Ensure that the Village is maximizing its revenue and minimizing its revenue and minimizing its expense through these audits.

#### **C. PROPOSAL QUALIFICATIONS**

All proposers need to have significant, recent experience in developing Municipal Utility Tax Audits for local government in the State of Illinois.  
Ensure that the Village is maximizing its revenue and minimizing its expense through these audits.

#### **D. PROPOSAL EVALUATION**

All proposals will be reviewed to determine if all requirements are met. In the event that all vendors do not meet one or more requirements, the Village reserves the right to continue the evaluation of the proposals and to select the proposal that most closely meets the requirements in the RFP.

#### **E. PROPOSAL COST FEES/COMMISSION**

Proposal shall include all cost and fees to initiate the service for the Village including all ongoing and future operational costs and commissions.

#### **F. ORGANIZATION CAPABILITIES**

Describe the companies experience and capabilities in providing similar services to those required. Please identify projects, dates and results and include the following information: Number of years providing municipal tax audits under the company's present name. Indicate the company's experience in performing similar work for governmental agencies.

**G. STAFF QUALIFICATIONS**

Provide resumes describing the education and work experience for of the key staff who would be assigned to this project.

**H. QUESTIONS**

All questions should be directed to Theresa Tarka, Purchasing Department  
630-434-5530.

**I. REFERENCES**

Proposers shall provide a minimum of five (5) active client references. Describe in   Type of service you have provided, and identify the company or government name, village, state, population (if government entity), and name and telephone number of contact person.

**PROPOSAL/CONTRACT FORM**

**\*\*\*THIS PROPOSAL, WHEN ACCEPTED AND SIGNED BY AN AUTHORIZED SIGNATORY OF THE VILLAGE OF DOWNERS GROVE, SHALL BECOME A CONTRACT BINDING UPON BOTH PARTIES.**

**Entire Block Must Be Completed When A Submitted Bid Is To Be Considered For Award**

**PROPOSER:**

Azavar Audit Solutions, Inc.  
Company Name

Date: August 11, 2008

234 S. Wabash Avenue, Sixth Floor  
Street Address of Company

klerash@azavar.com  
Email Address


Chicago, IL 60604  
City, State, Zip

Kevin R. Lerash  
Contact Name (Print)

(312) 583-0100  
Business Phone

(312) 404-5386  
24-Hour Telephone

(312) 583-0200  
Fax

  
Signature of Officer, Partner or  
Sole Proprietor

Jason Perry, President  
Print Name & Title

ATTEST: If a Corporation

  
Signature of Corporation Secretary

**VILLAGE OF DOWNERS GROVE:**

\_\_\_\_\_  
Authorized Signature

ATTEST:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Village Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

In compliance with the specifications, the above-signed offers and agrees, if this Proposal is accepted within **90** calendar days from the date of opening, to furnish any or all of the services upon which prices are quoted, at the price set opposite each item, delivered at the designated point within the time specified above.

**IV. BID CONTRACT FORM**

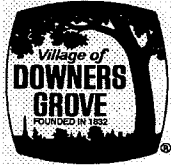
**Hourly Rate Time & Material: N/A**

**Contingency Fee                      See Attached**

**Total Estimated Time For Project: Each utility or cable provider will take approximately four (4) to six (6) months for the provider to correct current errors within their database. Resolving past monies owed to the municipality may take longer because of the negotiation process and cooperation of the provider who is being audited.**

**\*Additional Charges: N/A**

**Please provide information of these additional charges  
Proposal shall include all costs & fees, including but not limited to Travel Time, Mileage, Meals, Publications, Copying, Telephone, Postage**



**VENDOR W-9 REQUEST FORM**

The law requires that we maintain accurate taxpayer identification numbers for all individuals and partnerships to whom we make payments, because we are required to report to the I.R.S all payments of \$600 or more annually. We also follow the I.R.S. recommendation that this information be maintained for all payees including corporations.

Please complete the following substitute W-9 letter to assist us in meeting our I.R.S. reporting requirements. The information below will be used to determine whether we are required to send you a Form 1099. Please respond as soon as possible, as failure to do so will delay our payments.

**BUSINESS (PLEASE PRINT OR TYPE):**

**NAME:** AZAVAR AUDIT SOLUTIONS, INC.  
**ADDRESS:** 234 S. WABASH AVE, SIXTH FLOOR  
**CITY:** CHICAGO  
**STATE:** ILLINOIS  
**ZIP:** 60616  
**PHONE:** (312) 583-0100      **FAX:** (312) 583-0200  
**TAX ID #(TIN):** 20-5782847

(If you are supplying a social security number, please give your full name)

**REMIT TO ADDRESS (IF DIFFERENT FROM ABOVE):**

**NAME:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
**CITY:** \_\_\_\_\_  
**STATE:** \_\_\_\_\_      **ZIP:** \_\_\_\_\_

**TYPE OF ENTITY (CIRCLE ONE):**

- |                      |   |
|----------------------|---|
| Individual           | Limited Liability Company –Individual/Sole Proprietor |
| Sole Proprietor      | Limited Liability Company-Partnership                 |
| Partnership          | Limited Liability Company-Corporation                 |
| Medical              | Corporation   |
| Charitable/Nonprofit | Government Agency                                     |

**SIGNATURE:**

**DATE:** August 11, 2008



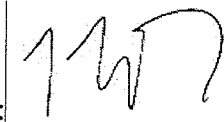
**PROPOSER'S CERTIFICATION (page 1 of 3)**

With regard to Proposal 002-008, proposer Azavar Audit Solutions, Inc. hereby certifies  
(Name of Project) (Name of Proposer)  
the following:

1. Proposer is not barred from bidding this contract as a result of violations of Section 720 ILCS 5/33E-3 (Bid Rigging) or 720 ILCS 5/33E-4 (Bid-Rotating);
2. Proposer certifies that it has a written sexual harassment policy in place and is in full compliance with 775 ILCS §12-105(A)(4);
3. Proposer certifies that not less than the prevailing rate of wages as determined by the Village of Downers Grove, DuPage County or the Illinois Department of Labor shall be paid to all laborers, workers and mechanics performing work for the Village of Downers Grove. All bonds shall include a provision as will guarantee the faithful performance of such prevailing wage clause. Proposer agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 *et seq.*, for all work completed. Proposer agrees to pay the prevailing wage and require that all of its subcontractors pay prevailing wage to any laborers, workers or mechanics who perform work pursuant to this contract or related subcontract. Proposer and each subcontractor shall keep or cause to be kept an accurate record of names, occupations and actual wages paid to each laborer, workman and mechanic employed by the Proposer in connection with the contract. This record shall be sent to the Village on a monthly basis along with the invoice and shall be open to inspection at all reasonable hours by any representative of the Village or the Illinois Department of Labor and must be preserved for four (4) years following completion of the contract. Proposer certifies that proposer and any subcontractors working on the project are aware that filing false payroll records is a class B misdemeanor and that the monetary penalties for violations are to be paid pursuant to law by the proposer, contractor and subcontractor. The Village shall not be liable for any underpayments. If applicable: Since this is a contract for a fixed public works project, as defined in 820 ILCS 130/2, Contractor agrees to post at the job site in an easily accessible place, the prevailing wages for each craft or type of worker or mechanic needed to execute the contract or work to be performed.
4. Proposer certifies that it is in full compliance with the Federal Highway Administrative Rules on Controlled Substances and Alcohol Use and Testing, 49 C. F.R. Parts 40 and 382 and that all employee drivers are currently participating in a drug and alcohol testing program pursuant to the Rules.
5. Proposer further certifies that it is not delinquent in the payment of any tax administered by the Department of Revenue, or that Proposer is contesting its liability for the tax delinquency or the amount of a tax delinquency in accordance with the procedures established by the appropriate Revenue Act. Proposer further certifies that if it owes any tax payment(s) to the Department of Revenue, Proposer has entered into an agreement with the Department of

**PROPOSER'S CERTIFICATION** (page 2 of 3)

Revenue for the payment of all such taxes that are due, and Proposer is in compliance with the agreement.

BY:   
Proposer's Authorized Agent

2 0 5 7 8 2 8 4 7

**FEDERAL TAXPAYER IDENTIFICATION NUMBER**

or \_\_\_\_\_  
Social Security Number

Subscribed and sworn to before me  
this 11<sup>th</sup> day of August, 2008.

\_\_\_\_\_  
Notary Public)

(Fill Out Applicable Paragraph Below)

(a) **Corporation**

The Proposer is a corporation organized and existing under the laws of the State of Illinois, which operates under the Legal name of Azavar Audit Solutions, Inc., and the full names of its Officers are as follows:

President: Jason Perry

Secretary: Jason Perry

Treasurer: Jason Perry

and it does have a corporate seal. (In the event that this bid is executed by other than the President, attach hereto a certified copy of that section of Corporate By-Laws or other authorization by the Corporation which permits the person to execute the offer for the corporation.)

(b) **Partnership**

Signatures and Addresses of All Members of Partnership:

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

**PROPOSER'S CERTIFICATION** (page 3 of 3)

The partnership does business under the legal name of: \_\_\_\_\_  
which name is registered with the office of \_\_\_\_\_ in the state of \_\_\_\_\_.

**(c) Sole Proprietor**

The Supplier is a Sole Proprietor whose full name is: \_\_\_\_\_  
and if operating under a trade name, said trade name is: \_\_\_\_\_  
which name is registered with the office of \_\_\_\_\_ in the state of \_\_\_\_\_.

5. Are you willing to comply with the Village's preceding insurance requirements within 13 days of the award of the contract?

Insurer's Name \_\_\_\_\_

Agent \_\_\_\_\_

Street Address \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

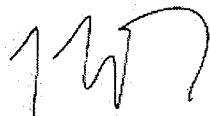
Telephone Number \_\_\_\_\_

**I/We affirm that the above certifications are true and accurate and that I/we have read and understand them.**

Print Name of Company: Azavar Audit Solutions, Inc.

Print Name and Title of Authorizing Signature: Jason Perry, President

Signature:



Date: August 11, 2008

## Apprenticeship and Training Certification

(Does not apply to federal aid projects. Applicable only to maintenance and construction projects that use Motor Fuel Tax funds or state grant monies)

Name of Proposer: \_\_\_\_\_

In accordance with the provisions of Section 30-22 (6) of the Illinois Procurement Code, the proposer certifies that it is a participant, either as an individual or as part of a group program, in the approved apprenticeship and training programs applicable to each type of work or craft that the proposer will perform with its own forces. The proposer further certifies for work that will be performed by subcontract that each of its subcontractors submitted for approval either (a) is, at the time of such bid, participating in an approved, applicable apprenticeship and training program; or (b) will, prior to commencement of performance of work pursuant to this contract, begin participation in an approved apprenticeship and training program applicable to the work of the subcontract. The Illinois Department of Labor, at any time before or after award, may require the production of a copy of each applicable Certificate of Registration issued by the United States Department of Labor evidencing such participation by the contractor and any or all of its subcontractors. Applicable apprenticeship and training programs are those that have been approved and registered with the United States Department of Labor. The proposer shall list in the space below, the official name of the program sponsor holding the Certificate of Registration for all of the types of work or crafts in which the proposer is a participant and that will be performed with the proposer's forces. Types of work or craft work that will be subcontracted shall be included and listed as subcontract work. The list shall also indicate any type of work or craft job category that does not have an applicable apprenticeship or training program. **The proposer is responsible for making a complete report and shall make certain that each type of work or craft job category that will be utilized on the project is accounted for and listed. Return this with the bid.**

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

The requirements of this certification and disclosure are a material part of the contract, and the contractor shall require this certification provision to be included in all approved subcontracts. In order to fulfill this requirement, it shall not be necessary that an applicable program sponsor be currently taking or that it will take applications for apprenticeship, training or employment during the performance of the work of this contract.

Print Name and Title of Authorizing Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**BUY AMERICA CERTIFICATION**

**Certification requirement for procurement of steel, iron, or manufactured products when Federal funds (Grant Agreement or Cooperative Agreement) are used.**

*Instructions:*

*Bidder to complete the Buy America Certification listed below. Bidder shall certify EITHER COMPLIANCE OR NON-COMPLIANCE (not both). This Certification MUST BE submitted with the Bidder's bid response.*

*Special Note: Make sure you have signed only one of the above statements – either Compliance OR Non-Compliance (not both).*

***Certificate of Compliance***

The bidder or offeror hereby certifies that it will meet the requirements of 49 U.S.C. 5323(j)(1), as amended, and the applicable regulations in 49 CFR Part 661.

Signature \_\_\_\_\_

Company Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

***Certificate of Non-Compliance***

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(1), as amended, and 49 C.F.R. 661, but it may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 C.F.R. 661.7.

Signature \_\_\_\_\_

Company Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**AFTER THIS CERTIFICATE HAS BEEN EXECUTED, A BIDDER MAY NOT SEEK A WAIVER.**

Note: The U.S/Canadian Free Trade Agreement does not supersede the Buy America requirement.

**Suspension or Debarment Certificate**

Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement for goods or services equal to or in excess of \$100,000.00 contractors receiving individual awards for \$100,000.00 or more and all sub-recipients must certify that the organization and its principals are not suspended or debarred.

By submitting this offer and signing this certificate, the bidder certifies to the best of its knowledge and belief, that the company and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal, state or local governmental entity, department or agency.
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction, or convicted of or had a civil judgment against them for a violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification: and
4. Have not within a three-year period preceding this application/proposal/contract had one or more public transactions (Federal, State or local) terminated for cause or default.

**If the bidder is unable to certify to any of the statements in this certification, bidder shall attach an explanation to this certification.**

Company Name: Azavar Audit Solutions, Inc.

Address: 234 S. Wabash Avenue, Sixth Floor

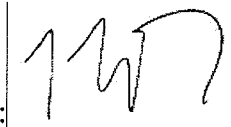
City: Chicago

Zip Code: 60604

Telephone: ( 312 ) 583-0100

Fax Number: (312) 583-0200

E-mail Address: jperry@azavar.com

Authorized Company Signature: 

Print Signature Name: Jason Perry

Title of Official: President

Date: August 11, 2008

**CAMPAIGN DISCLOSURE CERTIFICATE**

Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.


The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Bidder/vendor has not contributed to any elected Village position within the last five (5) years.



Signature

Jason Perry  
Print Name

Bidder/vendor has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: \_\_\_\_\_  
(company or individual)

To whom contribution was made: \_\_\_\_\_

Year contribution made: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Village of Downers Grove

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

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***Village of Downers Grove, IL***  
***Proposal submitted in response to Proposal No.: 002-08.***  
***RFP: Municipal Utility Tax Audit Services – August 11, 2008***

---

**Lead Institution:** Azavar Audit Solutions, Inc.  
234 South Wabash Avenue, 6<sup>th</sup> Floor  
Chicago, Illinois 60604  
Phone: (312) 583-0100  
Fax: (312) 583-0200  
Toll Free: (800) 683-0800

**President and CEO** Jason Perry  
*jperry@azavar.com*

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***Village of Downers Grove, IL  
Proposal submitted in response to Proposal No.: 002-08.  
RFP: Municipal Utility Tax Audit Services – August 11, 2008***

---

**Lead Institution:** Azavar Audit Solutions, Inc.  
234 South Wabash Avenue, 6<sup>th</sup> Floor  
Chicago, Illinois 60604  
Phone: (312) 583-0100  
Fax: (312) 583-0200  
Toll Free: (800) 683-0800

**Principal Investigators:** John Bates, General Manager / Corporate Counsel  
*jbates@azavar.com*  
Aleksandra Jurczynszyn, Project Manager  
*ajurczynszyn@azavar.com*  
Kevin Lerash, Membership Coordinator  
*klerash@azavar.com*  
Haojun Wu, GIS Project Coordinator  
*hwu@azavar.com*  
David Field, Project Coordinator  
*dfield@azavar.com*  
Dr. Barry Orton, Cable Gross Revenue Expert  
*bmorton@wisc.edu*  
Angela Bingham, Telecommunications Expert  
*dssr4@yahoo.com*

## **Description of Methodologies (Scope of Service)**

The first step in the audit process is to hold an introductory meeting with the appropriate Village officials in order to determine what data is available from the municipality. This data generally comes from numerous departments within the municipality.

The second step in an audit is collecting any and all applicable local, state and federal ordinances, regulations, statutes, and laws relating to the particular utility tax or franchise fee that is to be reviewed or analyzed. From this point, we conduct a thorough legal analysis to determine the availability parameters and requirements of conducting an audit of that particular utility provider.

The third step in the audit process is that we formally notify the utility provider of our intent to conduct an audit of those monies that are paid to the municipality. In that notice, we apprise the utility provider of the legal basis for conducting the particular audit. We also notify the utility providers of the necessary steps involved in the audit process and how the audit procedure will be conducted. We specify the query to be performed by the utility provider including the formatting of the data that is to be given to Azavar.

### **Expected Procedures for Address Verification Audit:**

1. The first step of the audit process is the standardization of the databases provided by the Village and by each utility into a compatible format through the use of our proprietary software and analyses systems.
2. Next we perform a complete analysis of the Village's address database using any available data tendered by the Village including Geographical Information Systems (GIS). By creating the most complete list of addresses as is possible, we increase the likelihood that all errors will be identified.
3. Once the lists are finalized, we perform database analysis utilizing our proprietary techniques to determine potential initial errors that may exist in the coding of utility addresses. These errors are just preliminary and may be removed from the list upon further investigation.

4. We request additional information from utilities and the Village as needed to verify errors and to realize additional errors. Our final compliance procedure conducted for every audit is a manual review of all the potential "exception addresses." This will result in a finalized list of initial errors that will be submitted to each utility.
5. We then work with the utility providers to research errors and correct those errors that are found to be valid. Errors that are not found to be valid are removed from the audit at this time. Under special circumstances, we will conduct our own field analysis in conjunction with the municipality to determine the accuracy of the utility provider responses to our analysis. We will also conduct on-site investigations of the utility provider to determine that the databases have been corrected.
6. Once the investigation is complete, we will receive verification from the utility provider that all valid errors are corrected in their databases and that all revenues from those specific properties are included in the tax or fee remittance to the Village.
7. We will then prepare reports detailing probable past lost revenue as a result of the miscoded addresses along with applicable interest and penalties. We will work with the utilities to determine an acceptable method for full disclosure of the most complete information available.
8. Once the amount of lost revenue is determined for each address analyzed in the audit, we will utilize our legal research conducted at the beginning of the process to determine the outstanding monies owed to the Village. These monies owed will include the taxes, interest and penalties during the term of the franchise agreement, ordinance or the maximum allowed period of time under applicable Illinois law governing the statute of limitations pertaining to the specific contractor agreement. We will utilize any and all of our resources in order to collect those past monies due to the Village.
9. Upon conclusion of the audits, we will work with the Village to ensure that proper controls are in place to prevent the future miscoding of addresses.
10. With the approval of the municipality, we can also conduct reoccurring audits of particular utility providers to determine that the addresses that were found and corrected during the audit continue to be coded correctly, which will ensure continual revenue for the community.

**Expected procedures for Gross Revenue (Cable Franchise Fee) Audit:**

1. The first step is to obtain appropriate data from each utility and Village or other governmental filings for reported revenue to determine if there are any discrepancies.

2. We then will determine if any remittances during the audit period were late and apply any charges or penalties that may be necessary.
3. Next we systematically analyze each revenue stream for each utility and determine which revenues should be included in gross revenue reports to the Village and are subject to franchise fees. Specific revenue streams of concern in Downers Grove are as follows:
  - a. The amount reported as allowance for bad debt and the amount of bad debt recovered.
  - b. The amount collected from subscribers specified for remittance of franchise fees to the Village.
  - c. The amount collected from advertising revenues and home shopping networks, revenues which may go unreported by your cable provider.
4. If it is determined that any stream of revenue was improperly excluded from the calculation of gross receipts based on the definition provided in Village ordinances and franchises, further analysis will be conducted to determine the impact of that exclusion on municipal revenue throughout the audit period.
5. We will then prepare detailed reports outlining the amount owed to the Village as a result of each misstating gross revenues for calculating franchise fees along with applicable interest and penalties.
6. The final step is to review with the Village internal controls that can be taken to ensure that utilities are properly reporting revenues in the future.

**Expense Audit Procedures:**

1. Each utility vendor contract and franchise agreement will be legally examined to determine the rates, special considerations, inclusions and exclusions relating to that specific service.
2. Azavar will request invoices and other documentation from the municipality for the period of review.
3. Azavar will then upload the requested information in to our proprietary software network and compare the vendor pricing and special arrangements included in the contract or tariff and determine if they are being consistently and accurately applied in each monthly or quarterly invoice.
4. We will then prepare reports detailing probable past lost revenue as a result of the vendor errors along with applicable interest and penalties. We will work with the vendors to determine an acceptable method for full disclosure of the most complete information available.
5. Once this analysis is complete, we will also determine if there are any other cost effective methods of negotiation or purchasing that would lower the overall cost for this particular service from the known vendor or other competing vendors.
6. Once the amount of overpayment is determined for each vendor account analyzed in the audit, we will utilize our legal research conducted at the beginning of the

process to determine the outstanding monies owed to the Village. Azavar will negotiate a settlement with the vendor for the maximum allowed period of time under applicable Illinois law governing the statute of limitations pertaining to the specific vendor agreement. We will utilize any and all of our resources in order to collect those past monies due to the Village.

7. Upon conclusion of the audits, we will work with the Village to ensure that proper controls are in place to prevent future vendor mistakes.
8. With the approval of the municipality, we can also conduct reoccurring audits of particular vendors to determine that the rates or tariffs that were found and corrected during the audit continue to be applied correctly, which will ensure continual cost savings for the community.
9. Azavar recommends that certain telecommunications vendors be placed on reoccurring audit cycles because of their negligence in maintaining pricing within an agreement.

### **Proposal Cost and Fees / Commission**

Azavar initiates and conducts the municipal utility tax audit program on a contingency basis. The Village of Downers Grove will compensate Azavar under the contingency payment terms as outlined below.

The Village of Downers Grove will pay Azavar fifty (50) percent (%) of any retroactive funds, savings, and fair market value for any other special consideration or compensation recovered for and/or by the Village from any audited utility taxpayer. The Village will pay Azavar forty (40) percent (%) of baseline funds recovered for the next twenty-four (24) months after errors have been corrected. Once errors have been corrected, Azavar will issue itemized monthly billing statements during the twenty-four (24) months.

During the course of each audit, Azavar may find that in fact, rather than being owed past due funds, the Village owes other municipalities, the utility, or taxpayers funds erroneously paid to another party. In this case, Azavar will immediately terminate its participation for that specific utility audit at no cost to the Village and will document the error and provide the Village with information necessary to correct the error. Azavar shall have no liability for these errors or actions arising from their knowledge. Should the Village want Azavar to continue the audit after such disclosure and notice of termination, the Village will pay all fees on a time and materials basis for that utility audit to date and for future work related to that audit.



## **Audit Experience Statement and Summary (Organization Capabilities)**

Operating under the name Azavar Audit Solutions since 2006 (previously Azavar Technologies since 1999), Azavar currently serves more than 80 municipalities in Illinois and performs address verification audits for, on average, more than four (4) utility companies per community. Current client municipalities vary in size and structure from as small as a population of 500 to as large as a population of over 150,000. Although Azavar prefers to work cooperatively with utilities, we are aware that some providers may not choose to comply as required. Azavar is currently litigating with two large utility providers in Illinois and are highly experienced with handling resistant utilities.

Azavar is uniquely capable of handling large databases and formatting such data into acceptable and compatible files. The essential methodology of an address verification audit is the matching of two distinct databases. Our use of unique as well as industry-leading software solutions allows us to ensure the compatibility of the databases, allowing us to complete an analysis with very few problems. Azavar will easily be able to convert the Village's data in to a compatible database for the audit. Of course, a major portion of any audit involves actual human verification, but we have mastered this process through the completion of over fifty (50) municipal address verification audits over the past three (3) years.

The Azavar audit team consists of full-time employees with additional aid from temporary employees who are industry leaders in their respective fields. Our employees come from a diverse background including public administration, finance, law, information technology, telecommunications, and urban planning. This diverse background enables us to develop creative solutions to problems which may arise during the audit process. In fact, certain address verification audits that we have performed in the past have resulted in an increase of utility tax revenues of more than 8% per year. It is easy to assume that the amount of potential revenue recovery is determined by several factors related to the size and historical growth of a community, including annexations. While this is true, our experience has shown that whether or not your community has seen dramatic amounts of growth in recent years, you can be sure that the utility companies' databases are plagued with errors due to human error, computer error, and a lack of general care for accountability. We are confident that there are errors in the utility providers' databases and we are intent on finding those errors.

## **Professional References**

### **City of Evanston, IL Pop.: 75,543 (2006)**

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\*Electric, natural gas, cable, and telecommunications receivables and expense audits

### **City of Rockford, IL Pop.: 155,138 (2006)**

Andres Sammul, Finance Director

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\*Cable receivables audits and electric, natural gas, and telecommunications expense audits

### **Village of Roselle, IL Pop.: 23,174 (2006)**

Pam Figolah, Finance Director

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\*Electric, natural gas, cable and telecommunications receivables audits

### **Village of Westmont, IL Pop.: 25,059 (2006)**

Ron Searl, Village Manager

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\*Electric, natural gas, cable and telecommunications receivables and expense audits

### **Village of Roselle, IL Pop.: 23,174 (2006) and Village of Glen Ellyn, IL Pop.: 27,295 (2006) - (Currently employed with Village of Downers Grove, IL)**

Robin Weaver, Interim Director of Public Works

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