

## **MASTER SERVICES AGREEMENT**

THIS MASTER SERVICES AGREEMENT (the “Agreement”) is made and entered into as of the **X<sup>th</sup> day of December 2023** which will become effective January 1, 2024 (the “Effective Date”), by and between UHY Advisors MidAtlantic, Inc., a Maryland corporation (“UHY”), and the City of Augusta, Georgia. (“City”).

### **Statement of Purpose**

The parties desire to enter into this Agreement pursuant to which UHY will provide City with certain thought leadership or professional services.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, and other good and valuable consideration the parties hereby agree as follows:

1. **Engagement.**

a. City hereby agrees to hire UHY, and UHY hereby agrees to perform certain services for City, pursuant to the terms of this Agreement. For each project (a “Project”) that City desires UHY to perform services (the “Services”), a detailed description of the Services, as well as any terms and conditions relating thereto, shall be set forth in detail in a “Statement of Work” in the form of Exhibit A attached hereto. Each such Exhibit A shall be signed by the parties. The parties at any time may execute and deliver a new Statement of Work relating to Services to be performed by UHY for City for a new Project, and any such Statement of Work shall be governed by this Agreement except as set forth therein. Notwithstanding anything in this Agreement to the contrary, UHY shall not be under any obligation to perform Services under this Agreement (except for those set forth in the initial Statement of Work entered into by the parties), and UHY may refuse to perform Services or enter into a Statement of Work for any reason in its sole discretion. In the event any of the terms of this Agreement conflict with the terms set forth in a Statement of Work, the terms of the Statement of Work shall control.

b. UHY represents and warrants that it has the necessary knowledge, experience, abilities, skills and resources to perform its obligations under this Agreement and agrees to perform its obligations under this Agreement in a professional manner, consistent with then prevailing industry standards and practices.

c. UHY represents and warrants that it has all licenses and permits necessary to conduct its business and perform its obligations under this Agreement and agrees to comply in all material respects with all applicable federal, state and local statutes, regulations, codes, ordinances and policies in performing its obligations under this Agreement.

2. **Term; Termination.**

a. The term of this Agreement shall commence on the Effective Date and shall continue until December 31, 2024. The contract can renew for four additional one year terms with the consent of both parties. Renewal shall be re-reviewed and approved by the Board of Commissioners and

must be confirmed in writing between the parties. The agreement can be terminated by either party upon thirty (30) days prior written notice to the other party. Notwithstanding the foregoing, either party may immediately terminate this Agreement upon written notice to the other party if the other party (i) has materially breached the terms of this Agreement beyond any applicable cure period; or (ii) becomes insolvent or files for bankruptcy protection, or has a receiver appointed.

b. Upon termination of this Agreement for any reason, UHY shall be entitled to receive from City all compensation earned and all expense reimbursements owed as set forth in Section 3 below. City shall pay UHY the compensation and expense reimbursements owed as described above pursuant to the terms of this Agreement.

c. If either party terminates this Agreement prior to the completion of a Project, UHY shall complete the performance of Services pursuant to any open Statement of Work, even if such Services extend beyond the termination date, and City shall compensate UHY for the Services performed or to be performed pursuant to open Statement of Work and as provided for in this Agreement.

d. Neither Party will be liable for or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any Force Majeure Event or other cause or condition beyond its reasonable control, so long as that Party uses all commercially reasonable efforts to avoid or remove the causes of non-performance. For purposes of this Agreement, “**Force Majeure Event**” means an act of God, war (whether or not actually declared), armed conflict or the serious threat of the same, hostility, blockade, military embargo, sabotage, insurrection, rebellion, act of a public enemy, riot or other act of civil disobedience, governmental act, judicial action, explosion, act of terrorism or threat thereof (including cyberterrorism), natural disaster (including without limitation asteroid strikes or volcanic activity), violent storm (including without limitation hurricanes, tornados or blizzards), atmospheric disturbance (including without limitation geomagnetic storm, solar flare or sun outage with respect to electricity grids, transformers and satellite transmissions), destruction by lightning, fire, earthquake, tsunami, flood, plague, epidemic, pan-epidemic, quarantine, civil commotion, strike or lockout or labor dispute (excluding for the avoidance of doubt strikes of Leena AI’s staff), satellite malfunction, prolonged internet outage, communications line failure or power failure.

### 3. Compensation; Payment Terms; Expenses.

a. In consideration for the performance of the Services by UHY under this Agreement, City will pay UHY the fees and compensation reflected on each Statement of Work executed pursuant to this Agreement (the “**Services Fee**”), as described in Exhibit B. As the Services Fee will vary depending on the scope of Services performed on each Project, each Statement of Work will detail the agreed upon Services Fee. UHY shall be responsible and liable for any and all related costs and expenses on a Project, except for such reimbursable expenses as may be mutually agreed upon by City and UHY in the Statement of Work. UHY shall be reimbursed for any pre-approved travel and expenses associated with the performance of Services at any location other than the principal office of UHY.

b. UHY will periodically provide City with an invoice supporting any request for fee payment or reimbursement of expenses. City shall pay all mutually agreed upon invoices received by it from UHY within thirty (30) days of City's receipt of such invoices (the "Due Date").

c. Georgia Prompt Pay Act is not applicable to this agreement. The terms of this agreement supersede any and all provisions of the Georgia Prompt Pay Act.

4. Independent Contractor Status; Use of Affiliated Entities.

a. UHY's relationship with City hereunder shall be that of an independent contractor and as such, UHY shall perform its obligations under this Agreement as an independent contractor and not as an agent or joint venture partner of City. UHY shall be solely responsible for and shall pay any and all income taxes, fees and assessments (and all interest or penalties thereon) of every kind and nature arising by reason of or in connection with UHY's performance under this Agreement.

b. UHY has a contractual arrangement with UHY LLP whereby UHY LLP provides UHY with professional and support personnel and performs all services in connection with UHY engagements for which licensure as a CPA firm is required. In addition, UHY may use employees from one or more affiliated entities to perform Services under this Agreement in order to efficiently and expeditiously perform the Services. City hereby acknowledges UHY and agrees to the use of UHY LLP professional and support personnel for any Projects for which licensure as a CPA firm is required, as well as UHY's use of any employees from any of its affiliated entities on a Project as determined by UHY in its sole discretion. UHY LLP is an independent firm of certified public accountants which performs attest services in an alternative practice structure with UHY and its affiliated companies; however, as used in this Agreement, all references to "affiliates" or "affiliated entities" of UHY or terms of similar import shall be deemed to be inclusive of UHY LLP.

c. UHY may use independent contractors from one or more affiliated entities to perform Services under this Agreement in order to efficiently and expeditiously perform the Services. City hereby acknowledges City and agrees to UHY's use of independent contractors from any of its affiliated entities on a Project as determined by UHY in its sole discretion.

d. On each Statement of Work, UHY shall designate a Project Manager who will be the main point of contact for City on each Project.

e. UHY warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by UHY for the purpose of securing business and that UHY has not received any non-CITY fee related to this Agreement without the prior written consent of the CITY. For breach or violation of this warranty, the CITY shall have the right to annul this Agreement without liability or at its discretion to deduct from the Agreement Price of consideration the full amount of such commission, percentage, brokerage or contingent fee.

5. Intellectual Property Rights.

a. The parties hereby agree that all writings, tapes, recordings, computer programs, designs, and other works in any tangible medium of expression, regardless of the form or medium, which

have been or are prepared by UHY in connection with rendering the Services hereunder (collectively the "Work Product") shall belong solely and exclusively throughout the world by UHY. Upon receipt of all amounts owed by City to UHY with respect to the Project for which the Work Product was created, UHY shall assign, grant, and deliver to City solely, exclusively and irrevocably throughout the world all ownership rights in and to the Work Product. Notwithstanding the foregoing, City hereby agrees that UHY is entitled to keep and maintain one (1) copy of each of the various types of Work Product for its records after any assignment of the Work Product by UHY to City. In addition, notwithstanding the foregoing or anything in this Agreement to the contrary, City acknowledges and agrees that it shall have no rights in or to any of the processes, products or intellectual property utilized by UHY in the performance of the Services, to the extent that such processes, products or intellectual property are outside of the Work Product.

b. City agrees that if it is satisfied with UHY's performance and delivery of Services it will serve as a reference for UHY if requested to do so by UHY

6. Changes to Services; Changes to Service Fee. From time to time, City may request change to the scope of Services being performed by UHY pursuant to an executed Statement of Work (a "Request for Changes"). City shall make a Request for Change by submitting a written request to UHY specifying the change or changes. If the change warrants an increase to the Services Fee being paid to UHY for the Services, or changes to any other terms set forth in this Agreement or the applicable Statement of Work, then UHY shall inform City of the adjustment to the Services Fee (or any other change in terms) necessitated by the Request for Change. If City accepts UHY's quote for adjustment to its Services Fee, then the parties shall complete an Amended Statement of Work setting forth the new terms.

7. Obligations of City. In addition to all other obligations required of it under this Agreement, City shall (i) timely provide UHY with all information necessary for UHY to perform the Services; (ii) respond in a reasonable manner to all requests by UHY for information required for UHY to be able to perform the Services, as well as any issues that UHY encounters in its performance of the Services requiring consultation with City; and (iii) assign one (1) individual to be primary point of contact for managing the provision of the Services on a Project and the relationship with UHY under this Agreement (the "City Project Coordinator"). The City Project Coordinator may designate an alternate contact individual for each Project set forth on each Statement of Work. City Project Coordinator shall be generally available to UHY in order to communicate with UHY regarding any issues relating to a Project or Services, use reasonable efforts to participate in meetings or conference calls with UHY, and have the necessary authority to ensure that City is able to fulfill its obligations as described in (i) and (ii) above.

8. Restrictive Covenants.

a. UHY agrees (i) to hold in trust and confidence for City and to not disclose to any third party without prior written consent of City, the Confidential Information (as defined below) of City, whether it is tangible or intangible, (ii) not to use the Confidential Information for UHY's personal benefit or for the benefit of any third party, and (iii) at the request of City, to return to City all Confidential Information which is tangible upon the termination of this Agreement. Notwithstanding the foregoing, City agrees and acknowledges that UHY may disclose or use Confidential Information as UHY reasonably determines is necessary for its performance under this Agreement, including, but not limited to, disclosure to any representative of an affiliated entity involved in the performance of the Services. For purposes of this Agreement, the term "Confidential Information" shall mean all non-public information of City that is the subject of efforts by City that are reasonable under the circumstances to maintain its secrecy. The term Confidential Information shall specifically exclude data or information (aa) which has been voluntarily disclosed to the public by City; (bb) which has been independently developed and disclosed by others; or (cc) which has otherwise entered the public domain through lawful means. If UHY receives a subpoena or

order from a court or agency of competent jurisdiction which would require the disclosure of Confidential Information, UHY will promptly notify City in writing of its receipt of the subpoena or order so that City has a reasonable opportunity to oppose or challenge such disclosure at City's sole expense. UHY will promptly cooperate with all reasonable requests of City in this regard at City's sole expense. UHY will not be deemed to have breached this Agreement to the extent disclosures are made by UHY pursuant to a subpoena or order from a court or agency of competent jurisdiction, or as otherwise may be required under applicable law.

b. Except as otherwise may set forth on a Statement of Work, for a period of two (2) years following the termination of this Agreement for any reason, City shall not, either directly or indirectly, on City's own behalf or on behalf of any other person or entity, solicit or induce any person who is an employee or independent contractor of UHY or any affiliated entity of UHY and who performs Services under this Agreement, to leave or cease his or her employment or independent contractor relationship with UHY or the affiliated entity

c. The parties acknowledge that the covenants contained in this Section 8 are of the essence of this Agreement and that without these covenants, the parties would not have entered into this Agreement; that each of such covenants is reasonable and necessary to protect and preserve the interests and properties of the applicable party; that a breach or threatened breach of any of the terms of this Section 8 by the other party would result in material and irreparable damage and injury to the non-breaching party; and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, the parties agree and consent that, in addition to all the remedies provided at law or in equity, the parties shall be entitled to a temporary restraining order and temporary and permanent injunctions to prevent a breach or contemplated breach of any of the covenants in this Section 8. The existence of any claim, demand, action or cause of action of a party against the other party shall not constitute a defense to the enforcement by a party of any of the covenants in this Section 8.

9. Limitation of Liability.

a. THE LIABILITY OF UHY AND ANY ENTITY AFFILIATED WITH UHY, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES OR AGENTS FOR ANY DIRECT DAMAGES IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT OR OTHERWISE, WILL NOT EXCEED, IN THE AGGREGATE, AN AMOUNT EQUAL TO THE SERVICES FEE PAID BY THE CITY TO UHY FOR THE SERVICES PERFORMED PURSUANT TO THIS AGREEMENT GIVING RISE TO SUCH CLAIM (I.E., SUCH DAMAGES SHALL BE LIMITED TO THE TOTAL PAYMENT BY THE CITY FOR SERVICES PERFORMED BY UHY ON A SPECIFIC PROJECT).

b. IN NO EVENT SHALL UHY, ANY ENTITY AFFILIATED WITH UHY, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE OR LOST PROFIT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR UHY'S PERFORMANCE OF THE SERVICES, OR FAILURE TO PERFORM SERVICES, EVEN IF GIVEN ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

10. Disclaimer of Warranties. EXCEPT FOR THE SPECIFIC WARRANTIES GRANTED BY UHY IN SECTION 1 OF THIS AGREEMENT, UHY GRANTS THE CITY NO OTHER WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF

• **MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH ITS PERFORMANCE OF THE SERVICES.**

**11. Indemnification and Limitation of Liability**

Except as otherwise provided in this agreement, UHY shall indemnify and hold harmless CITY, and its employees and agents from and against all liabilities, claims, suits, demands, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from the performance of its Work.

a. UHY shall indemnify and hold harmless City and its officers, directors, members, managers, employees and agents (each a "City Party") and collectively, the "City Parties") against any and all Losses incurred by City or any City Party by reason of (i) any breach of any covenant, representation or warranty made by the UHY in this Agreement or any Statement of Work, or (ii) UHY's gross negligence or willful misconduct relating to its performance under this Agreement.

b. ) Insurance requirements

c. UHY shall, at all times that this Agreement is in effect, cause to be maintained in force and effect an insurance policy(s) that will ensure and indemnify the CITY against liability or financial loss resulting from injuries occurring to persons or property or occurring as a result of any negligent error, act, or omission of the UHY in performance of the work during the term of this Agreement.

d.

e. UHY shall provide, at all times that this agreement is in effect, Worker's Compensation insurance in accordance with the laws of the State of Georgia.

f.

g. UHY shall provide, at all times that this Agreement is in effect, Insurance with limits of not less than:

h.

i. Workmen's Compensation Insurance – in accordance with the laws of the State of Georgia.

j. Public Liability Insurance – in an amount of not less than One Million (\$1,000,000) Dollars for injuries, including those resulting in death to any one person, and in an amount of not less than One Million (\$1,000,000) Dollars on account of any one occurrence.

k. Property Damage Insurance – in an amount of not less than One Million (\$1,000,000) Dollars from damages on account of an occurrence, with an aggregate limit of One Million (\$1,000,000) Dollars.

l. Valuable Papers Insurance – in an amount sufficient to assure the restoration of any plans, drawings, field notes, or other similar data relating to the work covered by the Project.

m. Professional Liability Insurance – in an amount of not less than One Million (\$1,000,000) Dollars or an amount that correlates to the aggregate fee on the project should it exceed \$1,000,000.

n.

o. CITY will be named as an additional insured with respect to UHY's liabilities hereunder in insurance coverage's identified in items (b) and (c).

p.

q. The policies shall be written by a responsible company(s), to be approved by the CITY, and shall be noncancellable except on thirty-(30) days' written notice to the CITY. Such policies shall name the CITY as co-insured, except for worker's compensation

and professional liability policies, and a copy of such policy or a certificate of insurance shall be filed with the Director at the time of the execution of this Agreement.

12. Assignment. The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of such parties. This Agreement may not be assigned by either party without the prior written consent of the other party.

13. Governing Law, Jurisdiction, and Venue. This Agreement has been entered into under and shall be governed by the laws of the State of Georgia. The parties agree that the state and federal courts located in Richmond County, Georgia and shall be the sole and exclusive jurisdiction and venue for all disputes between the parties under this Agreement. City hereby irrevocably consents to the jurisdiction and venue of the state and federal courts located in Richmond County, Georgia for adjudication of all disputes between the parties under this Agreement and/or otherwise related to the parties' relationship. City hereby waives any objections or defenses to jurisdiction or venue in any such proceeding before such court.

14. Notices. Any notices required, or sought to be provided, under the terms of this Agreement shall be deemed effective if delivered by U.S. certified mail return receipt requested, or overnight courier service with a receipt signed by the party to whom it is addressed, or by facsimile transmission provided a confirming receipt was created by sender's machine at time of transmission, and sent to the addresses or facsimile numbers on the last page, which addresses or numbers may be changed from time to time, in a writing by the party whose address or number has changed.

15. Mutual Construction. Both parties have had an opportunity to review this Agreement and request changes hereto, and this Agreement shall be construed as though the parties drafted it equally.

16. Execution in Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or other electronic transmission), each of which shall be deemed to constitute any original, but all of which together shall constitute one and the same documents.

17. Merger. This Agreement and all Statements of Work constitute the entire agreement of the parties regarding the Services to be performed by UHY and supersede any prior agreement, whether written or oral, between the parties in regard to such engagement.

18. Modification and Waiver. This Agreement may not be amended or modified except in a written document signed by authorized representatives of the parties. Failure of UHY to insist, in one or more instances, on performance by City in strict accordance with the terms and conditions of the Agreement shall not be deemed a waiver or relinquishment of any right granted in this Agreement or of the future performance of any such term or condition or of any other term or condition of this Agreement, unless such waiver is contained in a writing signed by UHY.

19. Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of Sections 2(b), 2(c), 3(c), 5 and 8 through 21 shall survive any expiration or termination of this Agreement, and each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement.

21. Time. Time is of the essence of this Agreement. Unless prohibited by applicable law, all claims brought pursuant to this Agreement must be brought within six (6) months of the date that such claim arises.

22. This entire agreement shall be contingent upon funding availability allocated by the Augusta Commission during the annual budget process or by budget amendment.

IN WITNESS WHEREOF, City and UHY have hereunto caused this Agreement to be executed by their respective duly authorized corporate officers as of the day and year first set forth above.

**UHY Advisors MidAtlantic, Inc.**

**CITY**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** John E Reagan III \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** Managing Director \_\_\_\_\_

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

**Legal Notices**

Jack Reagan

UHY

8601 Robert Fulton Drive

Suite 210

**Address:** Columbia, MD 21046 \_\_\_\_\_

**Facsimile #:** 410-381-5538 \_\_\_\_\_

**Legal Notices**

Augusta, Georgia

General Counsel

535 Telfair Street, Bldg 3000,

**Address:** Augusta, GA 30901 \_\_\_\_\_

**Facsimile #:** \_\_\_\_\_

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## **EXHIBIT A – STATEMENT OF WORK**

UHY will be required to provide professional services necessary to provide the City with Internal Auditing Services as indicated in RFP #23-142 by the following:

- Perform operational reviews of key business processes to identify deficiencies and weaknesses and make appropriate recommendations for improvements.
- Perform compliance reviews to determine if established policies and procedures are being adhered to for purposes of maintaining an effective internal control environment.
- Provide recommendations based upon existing “best practice” in instances where policies, procedures and processes do not exist and/or could be improved upon.
- Assist the Board of County Commissioners as directed, to identify risks and appropriate internal controls to address those risks.
- Issue a quarterly report, which analyzes significant findings, recommends changes to enhance controls and reduce identified risks, outline corrective actions, and specify timeframes for implementation of the recommendations.
- perform annual counts of petty cash
- Conduct special studies or reviews of other areas as deemed necessary or as requested by the Board of Commissioners.
- Provide updates to management’s internal audit team.
- The annual work plan will encompass at a minimum 25% of the departments and programs listed on the accompanying Schedule A. The work plan for each subsequent year will address an additional 25% so that at the end of a four-year cycle, each department/program has been reviewed.
- All working papers and reports shall be retained, at the auditor’s expense, for a minimum of five (5) years, unless the firm is notified in writing by Augusta of the need to extend the retention period. The auditor shall make working papers available, upon request, and with the prior authorization of Augusta. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing account significance.

## **EXHIBIT B – COMPENSATION**

The City agrees to compensate UHY for services rendered as follows:

We will bill for our services at the following hourly rates:

Managing Director	\$350
Manager	\$210
Senior Consultant	\$196
Consultant	\$154

We estimate that each year that the level of effort expended by each team member will be as follows:

Managing Director	100 hours
Manager	300 hours
Senior Consultant	550 hours
Consultant	550 hours

## Schedule A

List of departments and programs that may be included, at some point, in the internal audit.

<b>Depts/Programs Reporting Directly to Commission:</b>
<b>Administrator</b>
<b>Augusta 911 Center</b>
<b>Central Services</b>
<b>Clerk of Commission</b>
<b>Compliance</b>
<b>Engineering</b>
<b>Environmental Services</b> <ul style="list-style-type: none"> <li>- Land Fill</li> <li>- Garbage Collection</li> </ul>
<b>Finance</b>
<b>Fire</b>
<b>Housing &amp; Community Development</b>
<b>Human Resources</b>
<b>Information Technology</b>
<b>Law Department</b>
<b>Licenses and Inspection</b>
<b>Parks &amp; Recreation</b>
<b>Planning &amp; Development</b>
<b>Procurement</b>
<b>RCCI</b>
<b>Special Purpose Sales Tax- multiple phases</b>
<b>Stormwater</b>
<b>Transportation Investment Act</b>
<b>Transit</b>
<b>Utilities</b>
<b>Elected Officials:</b>

<b>Commission</b>
<b>Clerk of Superior, State and Juvenile Courts</b>
<b>Civil/Magistrate Court Judges and Clerk</b>
<b>Coroner</b>
<b>District Attorney</b>
<b>Marshal</b>
<b>Mayor</b>
<b>Probate Court Judge</b>
<b>Sheriff</b>
<b>Solicitor</b>
<b>State Court Judges</b>
<b>Superior Court Judges</b>
<b>Tax Commissioner</b>
<b>Others</b>
<b>Augusta Regional Airport</b>
<b>Board of Elections</b>
<b>Public Defender</b>
<b>Tax Assessor</b>

