

Recorder's Office Cover Sheet

Recording Requested By:

Name: Terri Willoughby

Department: Finance



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KAREN ELLISON, RECORDER

Type of Document: (please select one)

- Agreement
- Contract
- Grant
- Change Order
- Easement
- Other

specify: _____

FILED

NO. 2022-039

3/24/22
DATE

DOUGLAS COUNTY CLERK
MINDEN, NV

BY AL DEPUTY

CONTRACT FOR PROFESSIONAL SERVICES BY AN INDEPENDENT CONTRACTOR

A CONTRACT BETWEEN

DOUGLAS COUNTY, NEVADA

AND

EIDE BAILLY LLP

This Contract for Professional Services by an Independent Contractor (the "Contract") is entered into by and between Douglas County, a political subdivision of the State of Nevada, and Eide Bailly LLP ("Contractor"). The County and Contractor are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

WHEREAS, County, from time to time, requires the professional services of independent contractors; and

WHEREAS, County believes the professional services of Contractor are necessary, desirable, and in the best interests of the County; and

WHEREAS, Contractor represents that it is duly qualified, equipped, staffed, competent, ready, willing and able to perform the services required by County as hereinafter described.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein made, the County and Contractor mutually agree as follows:

1. TERM AND EFFECTIVE DATE OF CONTRACT. The Contract will become effective on March 15, 2022 and will remain in effect until June 30, 2023, unless earlier terminated by the County pursuant to the terms of this Contract.

2. INDEPENDENT CONTRACTOR STATUS. The Parties agree Contractor will have the status of an independent contractor and that the Contract, by explicit agreement of the Parties, incorporates and applies the provisions of NRS 333.700, as necessarily adapted to the Parties, including the express understanding that Contractor, its officers, employees, and agents are not employees of the County and that:

There shall be no:

- (1) Withholding of income taxes by the County;
- (2) Industrial insurance coverage provided by the County;

- (3) Participation in group insurance plans which may be available to employees of the County;
- (4) Participation or contributions by either the Contractor or the County to the public employee's retirement system;
- (5) Accumulation of vacation leave or sick leave; and
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

3. INDUSTRIAL INSURANCE. Contractor shall, as a precondition to the performance of any work under this Contract and as a precondition to any obligation of the County to make any payment under this Contract, provide the County with a work certificate and/or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also shall, prior to commencing any work under the contract, complete and provide the following written request to a qualified insurer:

Eide Bailly LLP has entered into a contract with Douglas County to perform work from March 15, 2022 through June 30, 2023, and requests that the insurer provide to Douglas County (1) a certificate of coverage issued pursuant to NRS 616B.627 and (2) notice of any lapse in coverage or nonpayment of coverage that the contractor is required to maintain. The certificate and notice should be mailed to:

Douglas County Manager
 Post Office Box 218
 Minden, Nevada 89423

Contractor agrees to maintain required workers compensation coverage throughout the entire term of the Contract. If Contractor does not maintain coverage throughout the entire term of the Contract, Contractor agrees that County may, at any time the coverage is not maintained by Contractor, order the Contractor to stop work, suspend the Contract, or terminate the Contract.

4. SERVICES TO BE PERFORMED. On an as-needed basis, and at the direction of Chief Financial Officer, Terri Willoughby, or her designee, the Contractor will provide the services outlined in the Scope of Services below, and further detailed in the Engagement Letter from Eide Bailly LLP dated February 28, 2022 and attached hereto as Appendix A. If any provision of Appendix A conflicts with the language of this Contract, the language of this Contract shall prevail.

5. PAYMENT FOR SERVICES. Contractor agrees to provide the services set forth at the following rates for a total amount not to exceed thirty-five thousand and 00/00 dollars (\$35,000).

Eide Bailly Staff	Hourly Rate
Partner	\$250
Senior Manager	\$225
Manager	\$200
Senior Associate	\$175
Staff Associate	\$150

6. TERMINATION OF CONTRACT. County may immediately terminate the Contract for any reason at any time upon written notice to Contractor. Contractor shall be paid for all services rendered to County up to the effective date of termination.

7. NONAPPROPRIATION. Nothing in the Contract will be construed to provide Contractor with a right of payment from any entity other than the County. Any funds budgeted by the County pursuant to the terms of the Contract that are not paid to Contractor will automatically revert to the County's discretionary control upon the completion, termination, or cancellation of the Contract. The County will not have any obligation to re-award or to provide, in any manner, the unexpended funds to Contractor. Contractor will have no claim of any sort to the unexpended funds.

8. CONSTRUCTION OF CONTRACT. The Contract will be construed and interpreted according to the laws of the State of Nevada. There will be no presumption for or against the drafter in interpreting or enforcing the Contract. In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator mutually agreed to by the parties. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to the prevailing party at the discretion of the court. The Parties mutually agree to not seek punitive damages against either Party.

9. COMPLIANCE WITH APPLICABLE LAWS. Contractor promises and agrees to fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of the Contract, including, but not limited to, all federal, state, and local accounting procedures and requirements, all hazardous materials regulations, and all immigration and naturalization laws. County will not waive and intends to assert all available NRS chapter 41 liability limitations.

10. ASSIGNMENT. Contractor will neither assign, transfer nor delegate any rights, obligations or duties under the Contract without the prior written consent of the County.

11. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to the Contract will be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

12. DISPOSITION OF CONTRACT MATERIALS. Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under the Contract (the "Materials") will be the exclusive property of the County and all such materials will be remitted and delivered, at

Contractor's expense, to the County by Contractor upon the completion, termination or cancellation of the contract.

13. PUBLIC RECORDS LAW. Contractor expressly understands and agrees that all documents submitted, filed, or deposited with the County by Contractor, unless designated as confidential by a specific statute of the State of Nevada, will be treated as public records pursuant to NRS chapter 239 and shall be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

14. INDEMNIFICATION OF COUNTY. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend County from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. Contractor will defend, hold harmless and/or indemnify County against such claims. Notwithstanding the obligation of Contractor to defend County as set forth in this paragraph, County may elect to participate in the defense of any claim brought against County because of the conduct of Contractor, its officers, employees and agents. Such participation shall be at County's own expense and County shall be responsible for the payment of its own attorney's fees it incurs in participating in its own defense.

15. INDEMNIFICATION OF CONTRACTOR. To the fullest extent permitted by law, County shall indemnify, hold harmless and defend Contractor from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of County, its officers, employees and agents. County will defend, hold harmless and/or indemnify Contractor against such claims. Notwithstanding the obligation of County to defend Contractor as set forth in this paragraph, Contractor may elect to participate in the defense of any claim brought against Contractor because of the conduct of County, its officers, employees and agents. Such participation shall be at Contractor's own expense and Contractor shall be responsible for the payment of its own attorney's fees it incurs in participating in its own defense.

16. MODIFICATION OF CONTRACT. The Contract and any attached exhibits constitute the entire agreement and understanding between the Parties and may only be modified by a written amendment signed by both of the Parties.

17. AUTHORITY. The Parties represent and warrant that they have the authority to enter into this Contract.

18. STANDARD OF CARE. Contractor will perform all services in a manner consistent with that level of care and skill ordinarily exercised by other members of Contractor's accounting profession currently practicing under similar conditions.

19. WAIVER OF LIEN. Contractor understands and agrees that the services it will render to the County are not intended for the improvement of real property or to otherwise grant any rights to Contractor pursuant to NRS chapter 108.

20. THIRD PARTY BENEFICIARY. Nothing contained in this Agreement is intended to convey any rights or to create a contractual relationship with any third party, or to otherwise allow a third party to assert a cause of action against either Contractor or County.

21. NOTICES. All formal notices, requests, demands and other communications hereunder must be in writing and will be deemed delivered when sent via certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like not

To County:

Douglas County
Attn. Chief Financial Officer
Post Office Box 218
Minden, Nevada 89423
Telephone: (775) 782-6268

To Contractor:

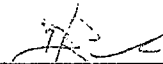
Eide Bailly LLP
Attn: Dr. Bradford Rockabrand, CPA
10681 Foothill Blvd, Suite 300
Rancho Cucamonga, CA 91730-3831
Telephone (909) 446-4410

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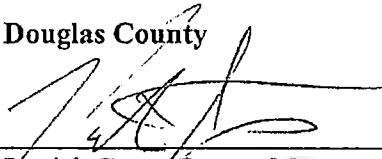
22. **CONFLICT OF INTEREST.** By signing the Contract, Contractor agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager.

IN WITNESS WHEREOF, the Parties hereto have caused the Contract to be signed and intend to be legally bound thereby.

Contractor

By: 
Dr. Bradford Rockabrand, CPA
Eide Bailly, LLP (Date) 03/09/2022

Douglas County

By: 
Patrick Cates, County Manager (Date) 3/21/22
Douglas County, Nevada

SCOPE OF SERVICES

- Consultant will examine and analyze the current accounting practices being used for the Worker's Compensation self-insurance program. We will discuss the results with the Chief Financial Officer ("CFO") and recommend improvements, where appropriate. Further, Consultant will propose any necessary adjusting journal entries to conform the year-to-date accounting to the new procedures agreed to with CFO.
- Consultant will examine the current work completed to date for the updated internal rate calculation used to allocate the program costs amongst the covered departments. Consultant will then complete an updated allocation calculation consistent with the goals and objectives, as discussed with the CFO.
- Consultant will document the procedures developed for both of the above tasks in the form of an administrative policy for use by the County.

Appendix A
Engagement Letter from Eide Bailly LLP, February 28, 2022

COPY



CPAs & BUSINESS ADVISORS

February 28, 2022

Terri Willoughby, Chief Financial Officer
County of Douglas, Nevada
1594 Esmeralda Avenue
Minden, NV. 89423

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Douglas County, Nevada (you).

Scope of Engagement

We will work with you to provide consulting services in connection with the Risk Management project as described further herein (the "Project").

1. Consultant will examine and analyze the current accounting practices being used for the Worker's Compensation self-insurance program. We will discuss the results with the Chief Financial Officer ("CFO") and recommend improvements, where appropriate. Further, Consultant will propose any necessary adjusting journal entries to conform the year-to-date accounting to the new procedures agreed to with CFO.
2. Consultant will examine the current work completed to date for the updated internal rate calculation used to allocate the program costs amongst the covered departments. Consultant will then complete an updated allocation calculation consistent with the goals and objectives, as discussed with the CFO.
3. Consultant will document the procedures developed for both of the above tasks in the form of an administrative policy for use by the County.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

We agree to retain our work papers for a period of at least eight years from the date of our report.

Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed by June 30, 2022. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work may be delayed accordingly.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We propose a time and materials arrangement at the below listed rates for the various levels of staff that may be engaged to assist with the completion of the Project at a "not to exceed" amount of \$35,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

EB Staff	Hourly Rate
Partner	\$250
Senior Manager	\$225
Manager	\$200
Senior Associate	\$175
Staff Associate	\$150

It is anticipated that most of the time would be incurred at the Senior Manager and Senior Associate levels.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Douglas County **Error! Reference source not found.** accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

DISPUTE RESOLUTION

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason (“Dispute”). Specifically, we agree to first mediate.

Mediation

All Disputes between us shall first be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association (“AAA”).

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person at a location deemed mutually convenient to the parties.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

Governing Law and Venue

We both agree to submit any unresolved Dispute to trial by a federal or state court venued in San Bernardino County, California. This agreement shall be governed by and construed in accordance with the laws of the State of California (regardless of the laws that might be applicable under the principles of conflict of law) as to all matters including without limitation, matters of validity, construction, effect, and performance.

LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES

The exclusive remedy available to you in any adjudication proceeding shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement and/or under applicable professional standards, such damages will be limited to no more than two times fees paid under this agreement. In no event shall we be liable to you for any punitive or exemplary damages, or for attorneys’ fees.

TIME LIMITATION

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that, notwithstanding any statute of limitations that might otherwise apply to a Dispute, it is reasonable that you may not bring any legal proceeding against us unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our report, return or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the agreed-upon procedure report.

The Limitations Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

INDEMNITY

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements and/or tax return that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

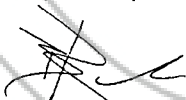
ASSIGNMENTS PROHIBITED

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly LLP, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,



Dr. Bradford Rockabrand, CPA
Partner

RESPONSE:

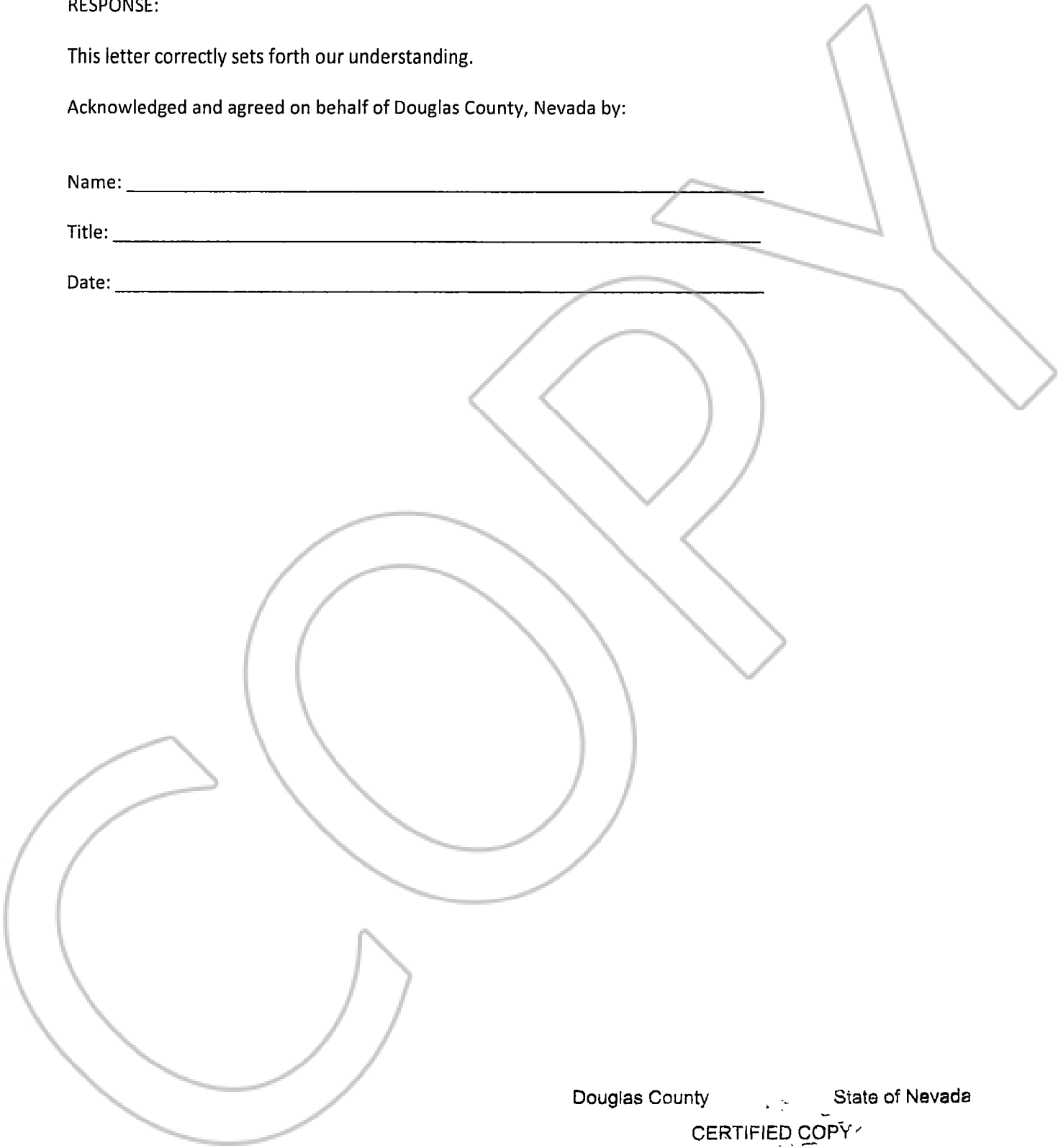
This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Douglas County, Nevada by:

Name: _____

Title: _____

Date: _____



Douglas County State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

29 day of March, 2022 5

By [Signature] Deputy