City of Benson
City Council Communication

Regular Meeting **March 25, 2013**

To: Mayor and Council Agenda Item # 4

From: Megan Moreno, Deputy Finance Director

Subject:

Interagency Service Agreement between the Arizona Department of Administration-General Accounting Office (ADOA-GAO) and the City of Benson for hosting and publication of the City's financial data on ADOA-GAO's website

Discussion:

The attached Interagency Agreement will contract with the Arizona Department of Administration-General Accounting Office to provide hosting and publication of the City's financial data on the State of Arizona's official transparency website - Arizona OpenBooks (www.openbooks.az.gov).

Effective January 1, 2013, A.R.S.§ 41-725 requires local governments to report all revenues and expenditures over $5,000 on a website free of charge. This website must present this information in an intuitive manner to the user and it must allow the user to search, aggregate, and download the information. It must contain the manner of payment, funding source, date and amount of payment, payee name, and applicable contract information. The website would exclude sensitive and confidential information, such as individual tax payments, information subject to attorney-client confidentiality, or any other information designated confidential by law. This information must be updated quarterly.

The Finance Department has looked into different options for complying with this new requirement and the most efficient and cost-effective option is to host our information on the State's transparency website. By using the State's transparency reporting website, we will avoid the time and costs associated with developing our own website and it is available to us now. The state is offering their website as an option to all cities, counties, and school districts. The GAO is anticipating a large number of participants.

The costs associated with this IGA are $5,000. This is made up of a $2,000 initial set up fee and a $3,000 fee for annual operating costs. The City has the option to pay these fees during our next budget cycle.

Staff Recommendation:

Approval of the Interagency Service Agreement between the Arizona Department of Administration-General Accounting Office (ADOA-GAO) and the City of Benson for hosting and publication of the City's financial data on ADOA-GAO's website

ARIZONA OPENBOOKS INTERAGENCY SERVICE AGREEMENT

Janice K. Brewer
Governor

Brian C. McNeil
Director

ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL ACCOUNTING OFFICE
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007

ADOA-GAO OPENBOOKS INTERAGENCY SERVICE AGREEMENT
Number

In accordance with Arizona Revised Statutes, Sections (A.R.S. §§) 41-703 and 41-711, this Agreement is entered into by and between , a **Local Governmental** body (hereinafter referred to as "**LOCAL GOVERNMENT**"), and the **Arizona Department of Administration, General Accounting Office** (hereinafter referred to as "**ADOA-GAO**"), governing the hosting and publication of **LOCAL GOVERNMENT** data on **ADOA-GAO**'s website established under A.R.S. § 41-725 and called OpenBooks.az.gov, Arizona's official financial transparency web site hereinafter "**OPENBOOKS**'), and shall be effective as indicated in Section 1 - Term of Agreement.

1. Term of Agreement

This Agreement shall be effective upon **the date the last party signs this Agreement** through **December 31, 2017.** This Agreement may be terminated in accordance with Section 4.

2. Scope of Services

The **LOCAL GOVERNMENT** is requesting that **ADOA-GAO** provide **LOCAL GOVERNMENT** data hosting, publication and support services (**SERVICES**) in connection with the **LOCAL GOVERNMENT** having its financial data published on **OPENBOOKS** managed by **ADOA-GAO**.

To effectively provide these SERVICES both **ADOA-GAO** and the **LOCAL GOVERNMENT** agree to perform their respective responsibilities set forth in **SCHEDULE A** attached to this agreement.

3. Fees

LOCAL GOVERNMENT shall pay **ADOA-GAO** an **INITIAL SETUP FEE** of two thousand dollars ($2,000) in advance of the first calendar year of **SERVICES** and an **ANNUAL FEE FOR OPERATING COSTS** for each calendar year **SERVICES** are to be provided. The **ANNUAL FEE FOR OPERATING COSTS** for the calendar year ending

December 31, 2013, is three thousand dollars ($3,000), payable in advance. Each subsequent year's **ANNUAL FEE FOR OPERATING COSTS**, also payable in advance, shall be in the amount communicated by **ADOA-GAO** to the **LOCAL GOVERNMENT** by way of an Amendment **not later than ninety (90) days before the beginning of the year to which it applies**.

4. Termination

Either party may terminate this Agreement upon sixty (60) calendar days written notice to the other party. If the termination is initiated by **ADOA-GAO, ADOA-GAO** shall refund to the **LOCAL GOVERNMENT** any unamortized **ANNUAL FEE FOR OPERATING COSTS** at the time the termination becomes effective. If the termination is initiated by the **LOCAL GOVERNMENT,** no refund shall be forthcoming.

If a termination is initiated by the **LOCAL GOVERNMENT** and, with the prior consent of the **LOCAL GOVERNMENT**, the **ADOA-GAO** has acquired capital equipment or resources necessary to fulfill the **ADOA-GAO**'s responsibilities to the **LOCAL GOVERNMENT** as set forth in the Scope of Services, the **LOCAL GOVERNMENT** shall be responsible to reimburse the **ADOA-GAO** for any unamortized or unrecovered costs on or before the date the contract is terminated.

This agreement may be terminated by either party in accordance with A.R.S. § 38-511.

5. Force Majeure

(a) Either party shall be excused for delay or failure to perform its obligations under this Agreement, in whole or in part, when and to the extent that such delay or failure is a result of causes beyond the control and without the fault or negligence of the party unable to perform. Such causes include, without limitation, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, or embargoes.

(b) The party whose performance is so affected shall promptly notify the other party of all pertinent facts and take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof.

(c) It is understood and agreed that settlement of strikes or other labor disputes shall be at the sole discretion of the party encountering the strike or other dispute and that the inability of **ADOA-GAO** or its Subcontractors to meet the requirements of this Agreement as a result of labor strikes or disputes shall not be deemed to be a Force Majeure.

6. Indemnification

Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to

as "**CLAIMS**") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such **CLAIMS,** which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

7. Confidentiality

(a) A.R.S. § 41-725, which is incorporated by reference, defines certain information as confidential and not to be released to the public by way of publication on **OPENBOOKS**. By virtue of this Agreement, **ADOA-GAO** and **LOCAL GOVERNMENT**, their employees, and agents may have access to certain confidential and/or proprietary information of the other party, as defined below. **ADOA-GAO** and **LOCAL GOVERNMENT** agree to use Confidential Information received from the other Party only as expressly permitted in the Agreement and in furtherance of the purposes expressed in the Agreement. Neither **ADOA-GAO** nor **LOCAL GOVERNMENT** will disclose to any third party the other party's Confidential Information, in whole or in part, except as otherwise herein provided.

(b) **LOCAL GOVERNMENT** may provide, intentionally or otherwise, confidential data as described in A.R.S. § 41-725, the Health Insurance Portability and Accountability Act or other relevant federal or state laws or local ordinances, ostensibly for posting on **OPENBOOKS**. **ADOA-GAO** is not responsible for reviewing **LOCAL GOVERNMENT** data for confidentiality purposes and is held harmless by **LOCAL GOVERNMENT** for any damages arising from **ADOA-GAO**'s posting such confidential information on **OPENBOOKS**.

8. Limitation of Liability

ADOA-GAO shall under no circumstances be liable for:

(a) Posting or displaying on **OPENBOOKS** confidential, sensitive, incorrect, inaccurate, misleading, libelous, pejorative information provided by **LOCAL GOVERNMENT**.

(b) Providing access in response to the **LOCAL GOVERNMENT**'s direction to any Entity Administrator or Entity User.

(c) Failure to revoke access to any Entity Administrator or Entity User at the request of the **LOCAL GOVERNMENT** provided that the revocation is effected within three (3) business days.

9. Miscellaneous

It is mutually agreed by the parties that:

(a) In the event of a dispute, the parties agree to use arbitration to the extent

required by A.R.S. § 12-1518. The laws of the State of Arizona shall govern any interpretation of this Agreement and venue shall be in Maricopa County, Arizona.

(b) This Agreement shall be governed and interpreted by the laws of the State of Arizona. Purchases made in furtherance of this Agreement are subject to the Arizona Procurement Code (A.R.S. § 41-2501, et seq.) and the administrative rules promulgated thereunder (AAC R2-7-101, et seq.).

(c) Any amendments to this Agreement must be in writing and signed by both parties.

(a) All requests for additional services shall be in writing and signed by both parties and subject to current established **ADOA-GAO** billing rates.

(b) Additional capital equipment or other resources to be acquired by the **ADOA-GOA** to fulfill its responsibilities to the **LOCAL GOVERNMENT** as set forth in the Scope of Services and for which the **LOCAL GOVERNMENT** may be required to reimburse the **ADOA-GAO** shall be agreed to in writing by the **LOCAL GOVERNMENT**.

(c) **ADOA-GAO** reserves the right, at its sole reasonable discretion, to deny access as Entity Administrator or Entity User.

(d) This agreement is subject to the provisions of A.R.S. § 38-511.

(e) The parties to this agreement certify compliance with the requirements in A.R.S. §§ 35-391.06 and 35-393.06.

(f) All notices pertaining to this Agreement shall be addressed or faxed to the parties respectively as follows:

ADOA-GAO:	
Arizona Department of Administration General Accounting Office (GAO) 100 N. 15th Avenue, Suite 302 Phoenix, AZ 85007	ATTN: Joanna Greenaway Systems Support & Projects Manager Phone Number: 602-542-5106 Fax Number: 602-542-5749
LOCAL GOVERNMENT:	
	ATTN: Phone Number: Fax Number:

THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE UNDERSTANDING BETWEEN THE PARTIES, AND IT SUPERSEDES ALL PROPOSALS, ORAL OR WRITTEN, AND ALL OTHER DOCUMENTS OR COMMUNICATIONS BETWEEN THE PARTIES RELATIVE TO THE SUBJECT MATTER HEREIN COVERED, UNLESS SUCH DOCUMENTS OR COMMUNICATIONS ARE SPECIFICALLY INCLUDED BY REFERENCE.

IN WITNESS WHEREOF, the parties have executed this Agreement:

LOCAL GOVERNMENT:	**ADOA**: Arizona Department of Administration
By: _____	By: _____ Brian C. McNeil, Director
Date:_____	Date: _____

Between the Arizona Department of Administration General Accounting Office
And LOCAL GOVERNMENT

SCHEDULE A

Roles and Responsibilities

The respective roles of ADOA-GAO and a LOCAL GOVERNMENT related to that service are outlined in the section below.

ADOA-GAO Responsibilities:

- Provide consultation with the LOCAL GOVERNMENT project team member concerning the requirements of the A.R.S. § 42-725, confidentiality issues, file layout and overall process.
- Provide main point of contact for all communications related to the project.
- Prepare and provide LOCAL GOVERNMENT timely written notice of any ISA ADDENDUM.
- Confirm and communicate schedules.
- Notify the appropriate contacts of issues that require resolution.
- Coordinate the change process.
- Oversee content and maintenance of the OpenBooks.az.gov website (PROD).
- Provide an LOCAL GOVERNMENT User Guide on the use of the Administrative Tool and the Secure Account Service (SAS) Login Utility.
- Define LOCAL GOVERNMENT's system roles (Entity Administrator and Entity User).
- Authorize and maintain LOCAL GOVERNMENT's access to the system via SAS.
- Evaluate and grant or deny LOCAL GOVERNMENT requests for access to or roles in OPENBOOKS; activate and deactivate accounts.
- Provide and maintain technological infrastructure.
- Host and maintain Transparency Application Databases containing the State of Arizona and LOCAL GOVERNMENT data.
- Provide diagnosis of and initialize efforts to correct issues/problems with OPENBOOKS software application, Transparency Application Database, OpenBooks.az.gov website and technology infrastructure within three (3) business days of the discovery of such problems.
- Maintain two Transparency Application databases (PROD and TEST).
- Delete LOCAL GOVERNMENT incorrect postings within three (3) business days of receiving notification by email from LOCAL GOVERNMENT.
- Comply with all laws, statutes, ordinances, rules and regulations applicable to any Arizona State government body or authority;
- Diligently complete SERVICES.

ADOA-GAO Does <u>NOT</u> Have the Responsibility to:

- Defend LOCAL GOVERNMENT's compliance with A.R.S. § 41-725 subsections (C) through (E).
- Respond to the LOCAL GOVERNMENT's constituency about the LOCAL GOVERNMENT's data or the use of OPENBOOKS.

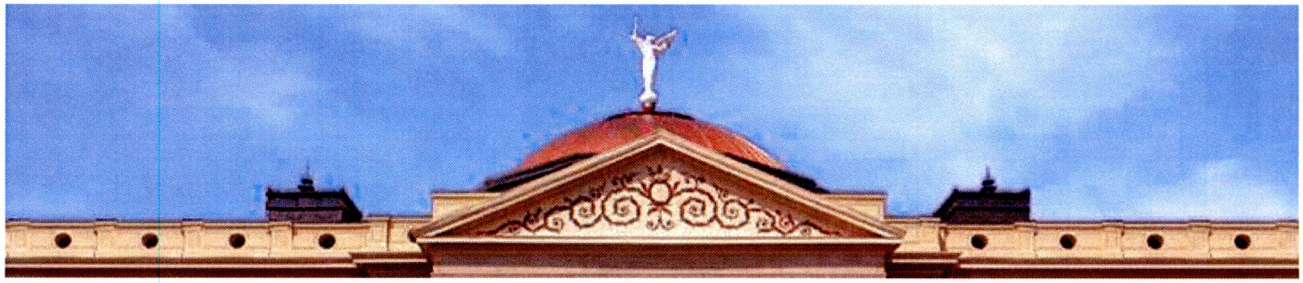
SCHEDULE A (Continued on Next Page)

SCHEDULE A (Continued from Preceding Page)

LOCAL GOVERNMENT Responsibilities:

- Provide ADOA-GAO with required information for posting to OPENBOOKS in accordance with A.R.S. § 41-725 subsections (C) through (E).
- Accept and properly execute the ISA and any annual ADDENDUM or Amendment prepared by ADOA-GAO in a timely manner, but no more than ninety (90) days.
- The LOCAL GOVERNMENT chief executive officer shall designate, using the processes and forms prescribed by ADOA-GAO, one or more Entity Administrators.
- The Entity Administrator shall designate, using the processes and from prescribed by the ADOA-GAO, one or more Entity Users.
- The LOCAL GOVERNMENT Entity Administrator(s) and User(s) shall be authorized to interface and liaise with ADOA-GAO personnel.
- Obtain administrative login access via SAS.
- Request and maintain authorized user roles for Entity Administrator and Entity User.
- Notify ADOA-GAO of any Administrator or User changes within 48 hours of such changes.
- Adhere to the data specification (file layout).
- Adhere to the guidance in the LOCAL GOVERNMENT User Guide.
- Adhere to State of Arizona Security requirements.
- Review data to assure compliance with confidentiality requirements, including those in A.R.S. § 41-725.
- Make payments in accordance the ISA and any Amendments.
- Upload the LOCAL GOVERNMENT data into the system as directed.
- Update and administer content data.
- Take reasonable measures to maintain the timeliness and accuracy of the LOCAL GOVERNMENT data presented on OpenBooks.az.gov.
- Notify ADOA-GAO of any required file deletions as soon as practicable.
- Cooperate with ADOA-GAO in the identification, diagnosis and resolution of issues/problems with the OPENBOOKS software application, Transparency Application Database, OpenBooks.az.gov website, and technology infrastructure.

SCHEDULE A (Remainder of Page Intentionally Left Blank)



41-725. Comprehensive database of receipts and expenditures of state monies; local reporting; definition

A. The department shall establish and maintain an official internet website that is electronically searchable by the public at no cost and that contains a comprehensive database of receipts and expenditures of state monies. The database shall include the information as prescribed in the comprehensive annual financial report of a budget unit that has been made by a certified public accountant or public accountant who is currently licensed by the Arizona state board of accountancy and who is not an employee of the department. The report shall be made in accordance with generally accepted auditing standards and shall contain financial statements that are in conformity with generally accepted accounting principles. If the department has a comprehensive annual financial report of a budget unit that has been presented with a certificate of achievement for excellence in financial reporting by the governmental finance officers association, the department may post such a financial report to satisfy the requirements of this subsection.

B. The department must present information in the database in a manner that is intuitive to members of the general public, including graphical representations. The database must allow users to:

1. Search and aggregate payments by individual budget units and programs.
2. Search and aggregate payments by individual vendors, including the total amount of state funding awarded by all budget units to individual vendors.
3. Download information yielded by a search of the database.
4. Access electronic versions of contracts that relate to expenditures.

C. The database shall include the following information:

1. Annual receipts of revenues, including:

(a) Receipts or deposits by each state budget unit into funds established in the state treasury.
(b) Taxes.
(c) Earnings by each budget unit, including amounts collected for merchandise sold, services performed and licenses, certifications and permits issued.
(d) Revenue from the use of publicly owned money or property, including leases and licenses.
(e) Gifts, donations and grants received, including amounts received from the federal government.
(f) Any other type of public revenue, however denominated or derived, deposited into the state treasury.

2. Annual expenditures and disbursements of state revenues by each state budget unit from funds established in the state treasury, as applicable, including:

(a) Bond payments, debt service and redemption charges and fees.
(b) Contractual services and cooperative agreements.
(c) Commodities.
(d) Capital outlay.
(e) Revenue sharing and other aid to other levels of government, including tribal governments.
(f) Any other expenditure or disbursement of state revenue from the state treasury, however denominated or structured.

D. Expenditure data shall list:

1. The manner of payment, including check or warrant or credit, debit or other purchase card.
2. The funding source, including categorical codes and the state accounts the expenditure is appropriated from.
3. A standardized descriptive title of the type and purpose of the transaction.
4. The date and amount of each payment.
5. The state agency or budget unit making the payment.

6. The name of the person or entity receiving the payment, including to the extent practical a parent entity of the recipient if the recipient is owned by another entity.
7. The primary location of performance under the contract, including the county, city or town and legislative district.
E. The database shall not include:
1. Tax payment or refund data that include confidential taxpayer information.
2. Data relating to payments of state assistance to individual recipients.
3. Payees' addresses or telephone numbers, but the department may allow public access in the database to information identifying the county in which the payee is located.
4. Work product in anticipation of litigation or information subject to attorney-client privilege.
5. Any other information that is designated by law as confidential or preapproved as confidential by the department pursuant to rule. The department and any officer or employee of the department:
(a) May rely on a determination made by a budget unit regarding confidentiality of information relating to the budget unit's expenditures.
(b) Are immune from civil liability for posting confidential information under this section if the posting is in reliance on the budget unit's determination relating to confidentiality.
F. Each budget unit shall cooperate with the department as necessary to implement and administer this section. Each budget unit shall provide to the department any additional data in a manner and schedule prescribed by the department that are required to be included in the database. The database shall be updated within thirty days after the end of each fiscal year and may be updated as new data become available. The data shall be retained in the database for at least ten full fiscal years.
G. The governor, secretary of state, state treasurer and legislature shall include a link to the database under this section in their individual official websites. Each budget unit that maintains a generally accessible internet website, or for which a generally accessible website is maintained, shall include a link on that website to the database under this section.
H. On or before January 1, 2013, each local government shall establish and maintain an official internet website that is accessible to the public at no cost and that contains a comprehensive reporting of all revenues and expenditures over five thousand dollars of local monies in as nearly as practicable the same manner and consistent with the provisions of subsections B through E. The database shall include the information as prescribed in the comprehensive annual financial report of a budget unit that has been made by a certified public accountant or public accountant who is currently licensed by the Arizona state board of accountancy and who is not an employee of the local government. The report shall be made in accordance with generally accepted auditing standards and shall contain financial statements that are in conformity with generally accepted accounting principles. If a local government has a comprehensive annual financial report of a budget unit that has been presented with a certificate of achievement for excellence in financial reporting by the governmental finance officers association, the local government may post such a financial report to satisfy the requirements of this subsection. A link to this data shall be displayed in a prominent place on the local government's official internet website or on a website of an association of cities and towns for cities and towns that do not have official websites and on the department's official internet website as prescribed in this section. The data shall be updated no less frequently than every three months and may be updated as new data becomes available. The data shall be retained and accessible online for at least three fiscal years.
I. For the purposes of this section "local government" means:
1. A county, city or town with a population of more than twenty-five hundred persons.
2. Any community college district and school district having a student count of more than six hundred pupils.
3. A state university.

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