

Town of Addison
Work Authorization No. 2
Continuous Monitoring of Transactions and Controls,
Purchasing Card Alerts and Optional Services

This Work Authorization is made as of this 28th day of October, 2014, under the terms and conditions established in the MASTER PROFESSIONAL SERVICES AGREEMENT dated as of July 24th, 2014, between The Town of Addison (“Client”) and Gradient Solutions Corporation. This Work Authorization is made for the following purposes consistent with the Services defined in the Master Professional Services Agreement:

Section A. – Scope

Description of Services

- Data analysis and alerts associated with Client’s purchasing card program, the use of which will be provided to the Client during the term of this arrangement, including:
 - The identification of relevant purchasing card alerts for monthly updating
 - Mapping of the identified alerts to the available data to create up to 10 agreed upon alerts
 - Publication of the alerts on a hosted ACL GRC server
 - Assist Client with incorporating alerts into their ongoing continuous monitoring program

Objectives

- Create and make available alerts for Client purchasing card program to assist management with their oversight of the purchasing card program.
- Provide a vital component of Client’s ongoing internal controls continuous monitoring program.
- Assist Client to encompass the alerts in the decentralized purchasing card administration across the departments.

Key Tasks

- Agree on alerts to be provided. Gradient has several suggestions to begin with, but Client will want to add to this information to tailor the alerts to Client objectives and needs.
- Publish alerts at the beginning of each month based on availability of the data.
- Assist Purchasing in developing a process to distribute excel based reports to department managers who are responsible for their departments’ administration of card use.

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Staffing

Resources proposed for this project will include Gradient employees and a subcontractor who assists with Gradient's database administration and hosting.

Section B. – Schedule

- Begin work on approximately November 1, 2014, with an expected completion date in approximately 3 to 4 weeks from the date the appropriate and complete transactional data is provided.
- Upon receipt of the provided monthly data file, alerts will be published within seven business days.

Section C. – Compensation and Expenses:

- Monthly publication and cleansing fee – \$1,500 a month
- Set up and transition one-time fee - \$2,500. This fee includes initial set up, navigation training for users, and up to 8 hours of assistance over the first 3 months of service (through January publication of December data) in tailoring the alerts and incorporating the alerts into Client monthly monitoring practices.
- Out of pocket expenses for travel mileage and tolls to Client site will be billed, as incurred.
- Changes or additions to the data fields that require modification to the database and alerts will be charged on an hourly basis. Any work required under this provision will be first agreed upon with the Client before any work is performed.
- Optional Purchasing Card analytic dashboard, using Tableau Software, \$500 a month plus a one-time setup fee of \$3,000.
- Additional consulting services at \$275 per hour.

Section D. – Client's Responsibility

Client shall perform and / or provide their responsibilities in a timely manner so as not to delay the Services. Our current expectation of Client responsibilities include:

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- Make key managers and personnel available to collaborate with Gradient in developing the purchasing card program measurements and alerts and for any optional services.
- Collaborate with Gradient on steps to incorporate the measurements and alerts and other services into the Town's continuous monitoring processes.
- Client is responsible for the data integrity of the provided data and will quality control data files prior to submission to Gradient.
- Client is responsible for the review and evaluation of the results.
- Provide requested purchasing card data at the end of each month in an agreed upon format and time period.

Section E. – Other Provisions

- This engagement does not constitute procedures, work, examinations, or any other similar steps in accordance with Generally Accepted Auditing Standards, the Institute of Internal Audit Standards, Government Accountability Office Standards, or any other authoritative body. Thus Gradient's engagement does not constitute an audit, compilation, review, attestation service, or fraud examination. Gradient is not a public accounting firm. Had additional work been performed, other matters of significance beyond those noted in this assessment might have been identified.
- This engagement does not entail assessment of the employees' capabilities in performing their identified tasks.
- This project does not involve the implementation of process improvements.
- Grant intermediate access of two employees to the ACL GRC hosted environment.
- ACL GRC is a third-party software that facilitates our alert process and is a product of ACL. Gradient does not oversee or validate security for ACL GRC. More information about ACL GRC can be located here - <http://www.acl.com/solutions/products/acl-grc/>. ACL has a current SSAE 16 (Service Organization Control) report prepared by a third party auditor. This report is a comprehensive assessment of the internal controls and information security related to the ACL GRC service. If the Client wants to review the SSAE 16 report, Gradient will request from ACL GRC a copy of the report on behalf of the Client.
- The parties agree to the following provisions with respect to this specific Work Authorization:

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- Except to the extent expressly modified herein, all terms and conditions of the Master Professional Services Agreement shall continue in full force and effect.
- The Risk Allocation – Article XI of the Master Professional Services Agreement will be limited to two months of the monthly publication and cleansing monthly fee.

Town of Addison

Gradient Solutions Corporation

By: _____

By: Calvin E. Webb II

Signature: _____

Signature: _____

Title: _____

Title: President & CEO

Date: _____

Date: _____