



**INVITATION
FOR PROPOSAL
RFP17-06**

**PROPOSAL
Professional Auditing Services**

Proposal Reading

January 23, 2017

At

3:30 pm

**CITY OF YUBA CITY
REQUEST FOR PROPOSAL
NO. RFP 17-06**

NOTICE IS HEREBY GIVEN THAT the City of Yuba City, in the County of Sutter, State of California, will receive sealed proposals for:

Professional Auditing Services

Specification packets may be obtained from the Finance Department, City of Yuba City, 1201 Civic Center Blvd., Yuba City CA 95993 or on the website, www.yubacity.net, City Hall, Request for Proposals & Bids, Bid Notices, City of Yuba City-General Products & Services then click on RFP17-06 to download.

Proposals are to be submitted on forms contained in the proposal packet. Proposals are to be submitted to the Office of the City Clerk located at 1201 Civic Center Boulevard, Yuba City CA 95993 on or before January 23, 2017 3:30 PM at which time proposals will be opened and read at the office of the City Clerk. Proposals are to be submitted in a sealed envelope. The envelope shall display the following statement, "SEALED PROPOSAL NO: RFP 17-06, PROPOSAL OPENING JANUARY 23, 2017, 3:30 PM, CITY HALL."

The City will not accept responsibility for delays in receipt of proposals sent by mail or other carriers. It shall be the sole responsibility of each vendor to insure that the City Clerk receives proposals no later than the time stated for proposal opening. All proposals received after said time and date shall be rejected.

The City reserves the right to reject any or all proposals or to waive any informalities or minor irregularities in the proposal.

No vendor may withdraw their proposal for a period of sixty (60) days after the date set for the opening.

Attached are the general conditions, specifications, bid proposal forms and City of Yuba City Professional Services Agreement. All questions concerning this proposal and/or specifications should be directed to Vicky Anderson via email at vanderso@yubacity.net or fax 530-822-4694 Attn: Vicky Anderson.

By order of the City Council, City of Yuba City, County of Sutter, State of California.

Date: 12/19/16


Robin Bertagna, CPA
Finance Director

**PART I
GENERAL CONDITIONS**

1. PREPARATION AND SUBMITTAL OF PROPOSALS

- A. Proposals not submitted on the Proposal bid Form may be rejected.
- B. Proposals are to be submitted on forms contained in the proposal packet. Proposals are to be submitted to the Office of the City Clerk located at 1201 Civic Center Boulevard, Yuba City, CA 95993 on or before January 23, 2017, at 3:30 PM, at which time proposals will be opened and read at the Office of the City Clerk. Proposals are to be submitted in a sealed envelope. The envelope shall display the following statement, "SEALED PROPOSAL RFP 17-06 PROPOSAL OPENING JANUARY 23, 2017, 3:30 PM, CITY HALL."
- C. All information requested of the vendor shall be entered in the appropriate space on the Proposal Bid Form. Failure to do so may disqualify your proposal.
- D. All information shall be entered in ink or typewritten. Mistakes may be crossed out and corrections inserted before submission of your proposal. The person signing the proposal shall initial corrections in ink.
- E. Corrections and/or modifications received after the closing time will not be accepted. Any exceptions to specifications must be stated on the proposal.
- F. Time of delivery shall be stated as the number of calendar days following the signing of the contract to the date of delivery and acceptance by the City of Yuba City.
- G. Each vendor shall state the net price for said item/service delivered F.O.B., Yuba City, CA, City Hall, 1201 Civic Center Blvd.
- H. One (1) original and four (4) copies of the proposal must be submitted by the date and at/or prior to the time specified, to be considered. No late proposals, telegraphic, telephone or email proposals will be accepted. The City will not be responsible for, nor will accept, postmarks from the U.S. Postal Service or other facsimile record of other carriers as proof of timeliness.
- I. An authorized officer or agent of the vendor shall sign all proposals.
- J. All proposals, whether accepted or rejected, shall become the property of the City of Yuba City.

- K. All questions concerning this proposal and/or specifications may be directed to Vicky Anderson via email at vanderso@yubacity.net or fax 530-822-4694 Attn: Vicky Anderson
- L. The contract awarded by the City Council to provide the specified items shall include the City's entire proposal packet and specifications, all submittals provided to the City with the proposal, any written clarifications to the proposal provided by the City to the vendor, and any addendum issued by the City during the proposal period.

2. TAXES

- A. Do not include Federal Excise Tax in your proposal.

3. PAYMENT, TERMS, & INVOICE REQUIREMENTS

- A. Progress payments to the firm will be made as follows: at the time of completion of the interim audit work (20%), fieldwork (40%), after receipt of draft audit (30%). A final payment (10%) will be made upon final acceptance of the audits by the City Council.
- B. Invoices shall be mailed, in triplicate, to the City of Yuba City – Attention: Finance.
- C. Only those charges that are identified on the proposal form and agreed upon by the City will be allowed. The City will not be paid any charges that are not identified on the bid proposal form. Charges shall remain for the period of the contract.

4. LIABILITIES

- A. The vendor shall hold the City of Yuba City, its officers, agents, and employees harmless from liability of any nature or kind because of use of any copyrighted or non-copyrighted composition, secret process, patented or non-patented invention, articles or appliances furnished or used under this proposal, and agrees to defend, at his/her own expense, any and all actions brought against the City of Yuba City or himself/herself because of the unauthorized use of such articles.

5. AWARD OF PROPOSAL

- A. **Competitive Invitation for Proposal:** If more than one proposal is offered by an individual, firm, co-partnership, corporation, association, or any combination thereof under the same or different names, all such proposals may be rejected. All vendors are put on notice that any collusive agreement fixing the prices to be proposed so as

to control or effect the awarding of this proposal is in violation of competitive bidding requirements, and may render any proposal under such circumstances void.

- B. **Award of Proposal:** If the proposal is under \$25,000, the proposal may be awarded by the City's Purchasing Agent. If the proposal is under \$50,000, the proposal may be awarded by the City Manager. If the proposal is over \$50,000 it shall be presented to the City Council for award. It is at the sole discretion of the City to determine the bidder best suited in meeting those needs.
- C. Within sixty (60) days after the proposal opening, a contract will be awarded by the City Council or Purchasing Agent. The time for awarding the contract may be extended by the City Council or Purchasing Agent for a reasonable time beyond sixty (60) days, as may be required to evaluate proposals, or for such other purposes as the City Council or Purchasing Agent may determine.
- D. The City of Yuba City reserves the right: (1) to reject any or all proposals or any part thereof and (2) to waive any informalities and/or negotiate minor deviations to the proposals, with the successful firm. The City of Yuba City's decision shall be final.

6. CHANGES IN CONTRACT

- A. No changes may be made in the contract without written authorization of the City of Yuba City Purchasing Agent, City Manager or City Council.

7. CONFLICT OF INTEREST

- A. Vendor warrants and covenants that no official or employee of the City of Yuba City, nor any business entity which an official of the City of Yuba City has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, or purchase order, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the City of Yuba City.
- B. The relationship of the Contractor to the City will be that of an independent contractor and not as an officer, employee or agent of the City.

8. FORCE MAJEURE

- A. In the event of emergencies or natural disasters such as fire, flood, blizzard, strike, accident, consequences of foreign or domestic wars, or any other cause beyond the control of the parties to this agreement which will delay or interfere with the use of delivery of the products described in this proposal, deliveries under said agreement may, at the option of either party, be suspended during the period required to remove the cause or repair the damage.

- B. The City of Yuba City reserves the right to acquire from other sources any products necessary for the proper operation of its business during any suspension of agreement pursuant to circumstances outlined above.

9. NON-DISCRIMINATION/HARASSMENT/RETALIATION

- A. The Contractor shall be responsible to see that there is no harassment, discrimination, or retaliation against any employee who is employed in the work covered by the Contract or any applicant for employment because of sex, race, religion, color, gender, sexual orientation (including heterosexuality, homosexuality, and bisexuality), national origin, ancestry, citizenship status, uniformed service member status, marital status, pregnancy, age, medical condition (cancer related or HIV/AIDS related), genetic characteristics, and physical or mental disability and that this Contract provision shall include but not be limited to, the following: employment, upgrading, promotion or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.
- B. It is the policy of the City of Yuba City that, in accordance with the provisions of State and Federal Law concerning the use of State or Federal Funds, no otherwise qualified individual shall, solely by reason of his or her race, color, religion, sex, national origin, age, marital status, ancestry, gender, sexual orientation (including heterosexuality, homosexuality, and bisexuality), citizenship status, uniformed service member status, pregnancy, medical condition (cancer related or HIV/AIDS related), genetic characteristics, and physical or mental disability be denied the benefits of or be subjected to discrimination, harassment, or retaliation under any program, activity or hiring practice.

10. TERMINATION FOR CAUSE

- A. In the event the Contractor fails to meet the specifications of the contract, as determined solely by the City, the City may terminate the contract without penalty and be relieved of any further consideration to the Contractor. Notice of such termination shall be in writing and shall take effect ten (10) days after mailing such notice. In the event of termination, the full extent of City liability shall be limited to an equitable adjustment and payment for materials and/or services authorized by and received to the satisfaction of the City prior to termination.

11. TERMINATION FOR CONVENIENCE

- A. City may terminate the contract at any time and for any reason by giving specific written notice to the Contractor of such termination and specifying the effective date thereof, at least thirty (30) days prior to the effective date of such termination. If the City terminates the contract provided in this paragraph, Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed. Contractor expressly agrees that no further penalties, remedies, or consideration would be forthcoming in the event of termination for convenience.

12. ADDENDUMS

- A. The vendor is responsible for checking the City's website or calling the Finance Department at 530-822-4645 for addendum(s). Addendum(s) may be posted up to 72 (seventy-two) hours prior to the bid opening. The vendor is responsible for incorporating all addendum(s) into the original proposal package. The proposal form has an area to indicate if any addendum(s) was released by the City, that it was incorporated into the proposal by the vendor. If the vendor does not acknowledge the addendum(s), the City reserves the right to reject the proposal.

13. BUSINESS LICENSE

- A. All businesses doing work in the City of Yuba City should verify with the Finance Department if they are required to be registered for and pay the Yuba City Business Tax(es) and/or License. The Contractor and/or subcontractor(s) who is/are awarded the bid shall pay all costs necessary to obtain these licenses and/or tax(es) and maintain them in full force and effect during the term of this Contract. Additional information and business licenses can be obtained by calling (530) 822-4619 or stopping by City Hall at 1201 Civic Center Blvd.

14. PROFESSIONAL SERVICES AGREEMENT AND INSURANCE

- A. A copy of the City of Yuba City Professional Services Agreement is attached for review. After the proposal has been awarded, a copy of the agreement will be mailed to your company for your signature.
- B. The bidder must provide proof of insurance as outlined in the attached Professional Services Agreement Exhibit B. Bidder must submit a letter at time of bid from the bidder's insurance carrier indicating that the insurance company has read the insurance requirements stated herein and will be able to provide the certificate and endorsement for the coverage required. A copy of bidder's insurance policy will not satisfy this requirement.

- C. The Contractor shall be able to provide sufficient labor at all times to carry out the contracted work and shall obtain all the insurance required under this Section and, prior to executing the contract, shall furnish the City of Yuba City with satisfactory proof that the requirements of this Section have been fully complied with.

PART II SPECIFICATIONS

GENERAL INFORMATION

The City of Yuba City (City) is requesting proposals from qualified firms of certified public accountants with experience auditing cities and/or counties, to audit its financial statements. Contract will be for one (1) three (3) year term (fiscal years ending June 30, 2017, 2018, 2019) with the option of two (2) one (1) year extensions (fiscal years ending June 30, 2020 and 2021).

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

Following the selection of a firm, it is expected a contract will be executed between both parties by March 27, 2017.

Assignment of Contract

No assignment by the firm of any contract to be entered into hereunder or any part thereof, or of funds to be received thereunder by the firm, will be recognized by the City.

DESCRIPTION OF THE GOVERNMENT

Background Information

The City of Yuba City is a general law city, incorporated under the laws of the State of California in 1908. The governing body of the City is a five-member council. The Council is responsible for the legislative and executive activities of the City. A city manager is appointed by and reports to the Council. This individual is responsible for implementing the policies of the Council and for overseeing the daily operations of the City.

The City serves an area of 14.91 square miles with a population of 68,000. The fiscal year of the City begins on July 1 and ends on June 30.

The following services are provided by the City to its citizens: public safety (police and fire), streets and roads, public improvements, water and wastewater utilities, planning and community development, parking and transportation, park facilities, recreation programs, and general administrative services.

The City has total estimated annual salaries and benefits of \$38.7 million covering 311 full-time equivalent employees. The City is organized into seven departments with the accounting and financial reporting functions of the City essentially centralized in the Finance Department.

More detailed information on the government and its finances can be found in the prior years' audited financial reports as well as the prior years' budget documents. These documents are located on the web at <http://www.yubacity.net/2016-17AdoptedOperatingBudget>

Fund Structure

The City has five major governmental funds:

- General Fund
- Streets and Roads Special Revenue Fund
- Developer Impact Fees CIP Fund
- General Capital Improvements Project Fund
- HOME Grant Special Revenue Fund

The City has two major proprietary funds:

- Wastewater Enterprise Fund
- Water Enterprise Fund

In addition, the City also maintains twenty-two non-major governmental funds, eight internal service funds and eighteen agency funds.

Pension Plans

The City participates in the State of California Public Employees Retirement System (PERS).

Budgetary Basis of Accounting

Accounting records are maintained on a budgetary basis during the year and converted to full accrual or modified accrual basis, as applicable, at year end.

Structure of Finance Operations

The Finance/IT Department is headed by Robin Bertagna, CPA, Finance Director, and consists of eighteen employees working in three main areas: 1) Customer Service including utility billing and

collections, business licensing, parking citations and utility field customer service; and 2) Accounting including payroll, accounts payable, miscellaneous accounts receivable, budget development and administration, audit, purchasing, grants management, debt issuance and administration and cash management; and 3) Information Technology.

Computer Systems

Accounting records are maintained on the Plus Series software package from Sunguard Pentamation utilizing end-user and point-of-sale workstations across a standard Windows network. Modules are available for general ledger, budget preparation, personnel and payroll, accounts payable, purchasing, utility billing and collection. Modules for business licensing and building permit processing are available through Accela software. Access to detailed on-line transactions is available upon request.

Additionally, the Finance Department scans all source documents into an electronic format. Access to electronic documentation will be made available to the auditors during fieldwork. Most original records are destroyed 30 days subsequent to electronic storage. Auditors are therefore expected to first utilize electronic document storage technology to meet their documentation needs.

Availability of Prior Reports

Interested proposers who wish to review prior years' audit reports can access them on the City of Yuba City's website at <http://www.yubacity.net/2016-17AdoptedOperatingBudget>

SCOPE OF WORK

The City desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the financial statements in conformity with generally accepted accounting principles for the City of Yuba City.
2. A report on the internal controls and compliance in accordance with *Government Auditing Standards*.
3. The audit firm will perform a single audit of the expenditures of federal awards in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with

Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.

4. Test compliance with Proposition 111, Article XIII.B. Review of Appropriation Limit calculation.
5. Prepare Management report and auditor's communication letter.
6. Prepare the City's Comprehensive Annual Financial Report following the requirements and guidelines of the Government Finance Officer's Association Certificate of Achievement for Excellent in Financial Reporting.
7. Preparation of the Annual Report of Financial Transactions to the State Controllers office for submission electronically by the January 31st deadline.
8. Preparation of the Annual Street Report to the State Controller's Office for submission electronically by the September 30th deadline.
9. Prepare SF-SAC Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for filing with the Federal Audit Clearinghouse by March 15th following each fiscal year end.
10. Any other reports to the governing body as may be required by generally accepted auditing standards.
11. Report preparation and printing of the City's Comprehensive Annual Financial Report, the Single Audit Report and Management Letter Comment Report are the responsibility of the independent auditor. This includes copies on a CD-ROM in PDF format.
12. Preparation of the GASB 68 and 31 adjustments, presented to City staff upon completion of the audit fieldwork.

In the required reports on compliance and internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Significant deficiencies that are also material weaknesses shall also be identified as such in the report.

Other matters, for example, deficiencies that are not significant deficiencies or material weaknesses discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The reports on compliance and internal controls shall include all material instances of noncompliance. All non material instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Irregularities and illegal acts: Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to Robin Bertagna, Finance Director and to Steve Kroeger, City Manager.

Special Considerations

1. A representative of the audit firm is expected to attend an audit planning conference with the City Council in accordance with Statement on Auditing Standards (S.A.S.) 114.
2. A representative of the audit firm is expected to attend and present the results of the audit to the City Council.
3. The City currently issues a Comprehensive Annual Financial Report (CAFR) which meets the requirements of the Awards for Excellence in Government Finance Program of the Government Finance Officers Association (GFOA) of the United States and Canada. The cost proposal should identify separately any components of work solely associated with this effort. The City has received the award for the past seventeen years and we will be submitting our CAFR to the GFOA for the fiscal year ended June 30, 2016. It is anticipated that the auditor will perform their procedures with a level of review designed to help assure that the City will meet the requirements and time deadline of this program.
4. The Auditors may be consulted occasionally throughout the year as an information resource. The Auditors may be asked to provide guidance on implementation of GASB requirements and specifics of Federal and State regulations as they may affect local government accounting and reporting. Auditors will provide the GASB 31 and 68 calculations. City will provide actuarial calculations.
5. The City routinely prepares one or more official statements in connection with the sale of debt securities, which will contain the financial statements and the auditor's report thereon. The auditor shall be required at no

additional cost, if requested by the fiscal advisor, to issue a “consent and citation of expertise” as the auditor and any necessary “comfort letters.”

6. The schedule of expenditures of federal awards and related auditor’s reports are to be issued separately from the CAFR.
7. Auditors will be responsible for providing an audit for the Sutter Buttes Flood Control Agency (SBFCA) which must be completed by December 31st. (Audit fees to be separately negotiated directly with JPA).
8. Auditors will be responsible for providing an audit for the Sutter Animal Services Authority (SASA) which must be completed by December 31st. (Audit fees to be separately negotiated directly with JPA).

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor’s expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor may be required to make working papers available, upon request, to parties specifically designated by the City as reasonable.

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 accounting significance.

Informed

It is expected that the selected firm will keep the City informed of new state and national developments affecting municipal finance and reporting, standards and trends including changes in federal/state grant program accounting and reporting requirements. This shall include at least one (1) formal updating session per year with financial/accounting staff.

Date Audit May Commence

For the 2016-2017 Fiscal Year, the planning phase of the audit engagement may commence upon notification to the auditor of acceptance of their proposal. The auditor shall provide the City with an audit plan and a list of schedules to be prepared by City personnel prior to the beginning of fieldwork. It is expected that interim fieldwork would be performed in June with the final phase of fieldwork commencing the first week of October.

Schedule for the 2016-17, 2017-2018 and 2018-2019 Fiscal Year Audits

A similar time schedule will be developed for audits of future fiscal years if the City exercises its option for additional audits.

Each of the following should be completed by the auditor no later than the dates indicated.

1. Interim Work

The auditor shall complete any required interim work by June 20 of each audit year.

2. Detailed Audit Plan

The auditor shall provide the City of Yuba City by May 31 both a detailed audit plan and a list of all schedules to be prepared by the City of Yuba City.

3. Field Work

The auditor shall complete all field work by October 20 of each audit year.

4. Draft Reports

The auditor shall deliver a draft of all reports to the City by November 15 of each year. The City shall review the drafts and provide review comments back to the auditor by November 30 of each year.

5. Final Reports

The auditor shall deliver print-ready opined audited financial statements, notes, all required supplementary schedules, and statistical data to the Finance Director by December 10.

6. Electronic copies of all reports on CD-Rom in PDF Format.

PROPOSAL PRESENTATION

During the evaluation process, the Review Committee, at their discretion, may request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Review Committee may have on a firm's proposal.

REQUEST FOR PROPOSAL SCHEDULE

Proposal Opening	January 31, 2017 (by 3:30 PM)
Estimated Award of Contract	March 21, 2017
Desired contract date	March 27, 2017

PROPOSAL REQUIREMENTS

Format of Proposals

The following material is required:

The proposer shall submit an unbound original and four (4) bound copies with tabs to include the following:

Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

Table of Contents

Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 60 days.

Technical Proposal

The technical proposal should follow the order set forth below of this request for proposals.

Sample CAFR

Firm must submit a sample of a CAFR that was prepared in the last three (3) years, preferably a CAFR for which a GFOA Award of Excellence was received.

References

Provide the City with, at a minimum, five (5) agencies, within the past 1-3 years, where your firm has completed professional auditing services similar in size and scope to the one being proposed in the proposal. Include the name of client, address and current contact name and title, phone number and email address.

Proposal cost forms

Contents of Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Yuba City in conformity with the requirement of this request for proposals. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals. The proposal should provide a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. If there are any items in the proposal that your firm will not be able to satisfy, please address that in this section. While additional data may be presented, the following items must be included. They represent the criteria against which the proposal will be evaluated.

Independence

The firm should provide an affirmative statement that it is independent of the City of Yuba City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (latest edition).

In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of California.

Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in California. Discuss how long these employees have been with the firm and provide information on the government auditing experience of each person. Include information, for each employee assigned to the engagement, on

relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit. Indicate how the quality and consistency of staff over the term of the agreement will be assured. Feel free to include information about the lead staff person if their relevant qualifications and skills will add to the quality of the engagement.

Similar Engagements with Other Governmental Entities

For the firm's office that will be assigned responsibility for the audit, the City requests a list of all current governmental clients.

Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals.

1. Provide your firm's expectations of City staff by providing a sample "Prepared by Client" list and schedules for each section of the audit field work.
2. Proposed time frame for each segment of audit work:
 - a. What is the anticipated length of field work for interim and year end work?
 - b. What is the standard turnaround time from end of field work, to senior level review, to final draft, to partner review, to audit report issuance?
3. Proposed segmentation of the audit work:
 - a. What will be accomplished during June field work and what will be accomplished during October audit?
 - b. What other contact can the City expect during the year related to the audit engagement?
4. Planned number of hours on the engagement for each level of auditing staff?

Cost

Use the include proposal cost form

Total All-Inclusive Maximum Price

1. The dollar cost should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

Should include a schedule of professional fees and expenses that supports the total all-inclusive maximum price.
3. Rates for Additional Professional Services

If it should become necessary for the City to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates as on the bid proposal pages.

EVALUATION CRITERIA

Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price, if qualified. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements
 - a. The audit firm is independent and licensed to practice in California.
 - b. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
 - c. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
 - d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
2. Technical Qualifications (Maximum Points - 60)
3. Price (Maximum Points - 40)

PROPOSAL COST FORM

NAME OF PROPOSER: _____

ADDRESS: _____

FEDERAL TAX ID NO.: _____ TELEPHONE: _____

Addendums considered
(initial and indicate addendum number)

Addendums NOT considered
(initial and indicate addendum number)

Price section:

	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
Audit fieldwork-June					
City Audit-October					
CAFR preparation					
Single Audit Report					
Annual Report of Financial Transactions					
Street Report					
Additional Major Programs					
Total					

Indicate in the space below how many major programs the single audit includes.

	Hourly rate	Amount of time/hour
Partner		
Manager		
Supervisory Staff		
Professional Staff		
Clerical/Support Staff		
Other		

In accordance with the Request for Proposal, General Conditions, and Specifications, the undersigned declares that the services offered are in accordance with all requirements of the City detailed therein. It is hereby understood that the attached bid reflects the total cost. The undersigned declares that he/she is authorized to enter into an agreement on behalf of the above-named business.

Signature _____

Printed Name _____

Title _____

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of _____, by and between the City of Yuba City, a municipal corporation ("City") and _____ ("Consultant").

RECITALS

- A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and
- B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein; and
- C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner. **[Describe Services]**

OR

**See Attached Scope of Services
(Exhibit A)**

2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is completed and approved by the City. Finalization shall be completed at the direction of the City of Yuba City.
3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule of Charges set forth in Exhibit A, which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation exceed _____ without additional written authorization from the City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.
4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's invoices shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a

description of any reimbursable expenses. City shall pay Consultant not later than 30 days after approval of the monthly invoice by City staff. When payments made by the City equal 90% of the maximum fee provided for in this Agreement, no further payments shall be made until the final work under this Agreement has been accepted by City.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City.
6. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination. Such compensation is subject to the conditions of Section 4 of this agreement.
7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees, agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon request.
- * Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regards to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant, which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

8. Consultant's Books and Records:

- a. Consultant shall maintain any and all ledgers, books of accounts, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant to this Agreement.
- b. Consultant shall maintain all documents and records which demonstrated performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.
- c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Administrator, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.
- d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above named officers, require that custody of the records be given to the City and that the records and documents be maintained in City Hall. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and
- b. Possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(B)(2).)

10. Interest of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

13. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

14. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature, which are legally required of Consultant to practice its profession. Consultant

represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of Yuba City business license.

14. Indemnity. Consultant agrees to defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs, including attorney fees and expenses in connection therein), arising out of the performance of this Agreement in whole or in part by any negligent act or omission of the Consultant, or anyone directly or indirectly employed by the Consultant or anyone for whose acts the Consultant may be liable, or its failure to comply with any of its obligations contained in this Agreement, except for any such claim arising out of the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers.
15. Insurance Requirements. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, necessary insurance policies as described in Exhibit B.
16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City

[Name]
[Department]
City of Yuba City
1201 Civic Center Blvd
Yuba City, CA 95993
[(530) 822-]

If to Consultant:

[Name]
[Title]
[Organization, vendor name]
[Address]
[City, State, Zip code]
[Phone number]

17. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

18. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.
19. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under the Agreement without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.
20. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
21. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
22. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Sutter.
23. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.
24. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS") or its successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear

the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

25. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
26. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.
27. Prohibited Interest. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.
28. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF YUBA CITY:

CONSULTANT:

By: _____ By _____

**[Authorized signer for the
City of Yuba City]
[Title]**

**[Name]
[Title]**

Attachments: Exhibit A – Scope of Services
 Exhibit B - Insurance Requirements
 Exhibit C - Workers' Compensation Exemption

DRAFT

**Exhibit A
Scope of Services**

[INSERT]

Exhibit B
Professional Services Agreement
Insurance Requirements

- I. **Workers' Compensation Coverage.** Consultant shall maintain Workers' Compensation Insurance for his/her employees in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

- II. **General Liability Coverage.** Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

- III. **Automobile Liability Coverage.** Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

- IV. **Professional Liability Coverage.** Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant's operations under this Agreement, whether such operations are by the Consultant or by its employees, subcontractors, or sub-consultants. The amount of this insurance shall not be less

than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

V. **Endorsements.** Each general liability and automobile liability insurance policy shall be with insurers possessing a current A.M. Best's rating of no less than A:VII and shall be endorsed with the following specific language or equivalent:

- A. The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations. Conforms to ISO CG 2009 and CG 2037 10 01. Both are required.
- B. This policy shall be considered primary insurance as respects to the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.
- C. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
- D. The insurer waives all rights of subrogation against the City, its elected or appointed officers, officials, employees or agents.
- E. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.
- F. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage except after thirty (30) days written notice has been received by the City.

VI. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retention's.

VII. **Certificates of Insurance.** Consultant shall provide certificates of insurance with original endorsements to City, as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

