

**CITY OF VACAVILLE
REQUEST FOR PROPOSALS
For
PROFESSIONAL AUDITING SERVICES**



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PROFESSIONAL AUDITING SERVICES

TABLE OF CONTENTS

I.	INTRODUCTION	
	A. General Information	1
	B. Term of Engagement	1
II.	NATURE OF SERVICES REQUIRED	
	A. Scope of Work to be Performed	2
	B. Auditing Standards to be Followed	3
	C. Working Paper Retention	3
	D. Irregularities and Illegal Acts	4
III.	DESCRIPTION OF THE GOVERNMENT	
	A. Background Information	4
	B. Fund Structure	4
	C. Component Units	5
	D. Magnitude of Finance Operations	5
	E. Computer Systems	5
	F. Availability of Prior Reports and Work Papers	5
IV.	TIME REQUIREMENT	
	A. Proposal Calendar	6
	B. Date Audit May Commence	6
	C. Date Reports are Finalized	6
V.	ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION	
	A. Finance Department Assistance	6
	B. Work Area, Telephone, and other Equipment	6
	C. Report Preparation	6
VI.	PROPOSAL REQUIREMENTS	
	A. General Requirements	7
	B. Format for Technical Proposal	8
	C. Contents of Technical Proposal	8
	D. Contents of Cost Proposal	11

CITY OF VACAVILLE
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TABLE OF CONTENTS

VII.	EVALUATION OF PROPOSALS AND NEGOTIATIONS	
A.	Submission of Proposals	11
B.	Proposal Postponement and Amendment	12
C.	Single Proposal Response	13
D.	Proposal Withdrawal	13
E.	Auditor Investigation	13
F.	Competency of Auditors	13
G.	Award	13
H.	Payment to the Auditor	14
I.	Contract Administration	14
J.	Retention of Records	14
K.	Non-Collusion Affidavit	14
	ATTACHMENT A	
	Audit Work Cost Proposal Form	15
	ATTACHMENT B	
	Estimate of Cost	16
	ATTACHMENT C	
	Sample Agreement for Consultant Services	17

I. INTRODUCTION

A. *General Information*

The City of Vacaville (hereafter "City") issues this request for proposals (hereafter "RFP") from qualified certified public accountant firms to audit its financial statements for three consecutive fiscal years beginning with the fiscal year ending June 30, 2020. The RFP also includes, upon mutual agreement, the option of auditing the City's financial statements for each of the two (2) subsequent fiscal years after the end of the third audit, in addition to performing other financial audits and reviews as specified below. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this RFP. Materials submitted by respondents are subject to public inspection under the Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

To be considered, one (1) signed original and two (2) copies of a proposal must be received by Crystal Reams, Accounting Manager at City of Vacaville, 650 Merchant Street, Vacaville, CA 95688, by **5:00 P.M. on April 17, 2020**. Any proposals that are not timely received shall be returned unopened. The City reserves the right to reject any or all proposals submitted, and to determine which proposal is, in its judgment, the best proposal in the best interest of the City.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from audit firms submitting a proposal, or to allow corrections of errors or omissions. At the sole discretion of the City, the top three (3) firms submitting proposals will be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any idea(s) 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 RFP and the terms of the City's template contract, attached hereto as Attachment C, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated the selection of a firm will be completed by **May 8, 2020**. Following the notification of the selected firm, a contract will be prepared shortly thereafter. The City reserves the right to reject any or all proposals, to waive any non-material irregularities in any proposal, and to accept or reject any items or combination of items.

B. *Term of Engagement*

It is the intent of the City to contract for services presented herein for a *total maximum fee* in each of three years (2020, 2021, 2022), as well as the two option years (2023, 2024) based upon the agreed scope of work and upon mutual agreement.

II. NATURE OF SERVICES REQUIRED

A. *Scope of Work*

The City desires to solicit qualified proposals for professional auditing services in accordance with this RFP. This RFP is expected to result in a firm fixed price contract. The City Council and Administrative Services Department - Finance Division require outside auditing services to audit all of the City funds and Housing Authority funds. In addition, the selected audit firm (hereafter "SAF") is to issue the required opinion letters in order for the City to satisfy the requirements to issue a "single audit" edition of its General Purpose Financial Statement.

The scope of the audit shall comply with all the provisions, code regulations and bond requirements of all the funds of the City and related entities. All state and federal regulations regarding audit requirements shall be included in the scope of the audit. It shall be the SAF's responsibility to assist the City in observation of and compliance with the necessary Government Finance Officers Association ("GFOA") requirements for the Certificate of Achievement for Excellence in Financial Reporting. The City will be submitting its Comprehensive Annual Financial Report ("CAFR") to the GFOA for review in the GFOA's Certificate of Achievement for Excellence in Financial Reporting program.

The SAF will be required to perform the following tasks. Please note that items at the end of this section are optional items which should be presented as separate line items in submitted Cost Proposal:

1. The audits of the General Purpose Financial Statements shall be made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and such other auditing procedures as the auditor considers necessary in the circumstances in order to allow for an expression of an opinion on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The SAF will also apply limited audit procedures to Management Discussion and Analysis ("MD&A") and required supplementary information pertaining to the General Fund and each major fund of the City.
2. The SAF will perform a single audit on the expenditures of federal grants in accordance with the Uniform Guidance 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 the Uniform Guidance and the types of compliance requirements described in the OMB Compliance Supplement. The single audit report will include the 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. This includes the electronic filing of the data collections forms.
3. The SAF shall perform agreed-upon auditing procedures pertaining to the City's GANN Limit (Appropriations Limit) and render a letter annually to the City regarding compliance.
4. The SAF shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the City Manager.

5. Audits that are to be performed include:
 - ❖ City of Vacaville Comprehensive Annual Financial Report (GASB 34 compliant) – available on City’s website <https://www.ci.vacaville.ca.us/home/showdocument?id=14734>
 - ❖ Transportation Development Act Compliance Report
 - ❖ Vacaville Housing Authority Financial Report (GASB 34 compliant), which includes REAC filing
 - ❖ Solano County Housing Authority Financial Report (GASB 34 compliant), which includes REAC filing
 - ❖ Community Action Partnership of Solano JPA Financial Report
 - ❖ Single Audit

Optional Items (To be shown as separate line items in Cost Proposal):

At the City’s sole discretion and request, the SAF will perform the following:

1. Prepare and submit the California State Controller’s Cities Financial Transactions Report and Transit Operators Financial Transactions Report (Fixed Route and Specialized Services), for the City and Transit Operations.
2. Compile and prepare the CAFR, including the Basic Financial Statements, Required Supplemental Information, Other Supplemental Information, and the Statistical Section. City staff will assist with preparation of statistical information, where appropriate.
3. Compile and prepare the Vacaville Housing Authority Financial Report, including the Basic Financial Statements and Required Supplementary Information.
4. Compile and prepare the Solano County Housing Authority Financial Report, including the Basic Financial Statements and Required Supplementary Information.
5. Compile and prepare the Transit Financial Report.
6. Compile and prepare the Community Action Partnership of Solano JPA Financial Report, including the Basic Financial Statements and Required Supplementary Information.

B. Auditing Standards to be Followed

To meet the requirements of this RFP, the SAF shall perform the audit in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act; and
4. The provisions of the Uniform Guidance

C. Working Paper Retention

All working papers and reports must be retained at the SAF’s expense for a minimum of four (4) years, unless the SAF is notified in writing by the City of the need to extend the retention period. The SAF will be required to make working papers available to the City or any government agencies included in the audit of federal grants. In addition, the SAF shall respond to the reasonable inquires of successor auditors to review working papers relating to matters of continuing accounting significance.

D. Irregularities and Illegal Acts

The SAF 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 the following parties: City Manager; City Attorney; Finance Division Manager; and the Accounting Manager.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

The City of Vacaville, incorporated in 1892, is located in the northern part of Solano County, on the I-80 corridor, roughly midway between San Francisco and Sacramento. The City currently occupies a land area of roughly 28 square miles with a population of 98,807. The City’s fiscal year begins on July 1st and ends on June 30th.

The City operates under the council-manager form of government. It is classified as a general law city because it is reliant upon California state law to define procedural regulations utilized by the City Council. The mayor and four council members are elected to staggered four year terms through a general election process. The City Council serves as the primary governing body. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing directors of the various City departments. The City Attorney provides legal services to the City, including but not limited to, representing the City in litigation involving the City, preparing ordinances and resolutions, and reviewing contracts and other legal documents. The Council is elected on a non-partisan basis.

The City provides a full range of services which include general government, public safety (police, fire, disaster preparedness, emergency medical, ambulance transport, and building inspection), construction and maintenance of streets, economic development, culture and recreation, parks, water, sewer, transportation, housing assistance and neighborhood revitalization. In addition to general City activities, the Council is financially accountable for the Vacaville Housing Authority and the Vacaville Public Financing Authority.

The City’s total operating and capital budget for FY 2019-20 is approximately \$248 million. The Budget is available on the City’s website: <http://www.cityofvacaville.com/modules/showdocument.aspx?documentid=2568>

B. Fund Structure

The City of Vacaville uses the following fund types in its financial reporting:

Number of Funds by Reporting Entity		
Fund Type	CAFR	General Ledger
General Fund	1	7
Special Revenue Funds	7	213
Debt Service Funds	2	2
Capital Project Funds	2	53
Enterprise Funds	3	21
Internal Service Funds	5	11
Agency Funds	<u>4</u>	<u>26</u>
Total Funds	<u>24</u>	<u>333</u>

C. Component Units

The City has defined component units, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification Government Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in the City's financial statements. The management of the City has identified the following component units (with fiscal year ending June 30th) for inclusion in the City's financial statements:

- ❖ Vacaville Housing Authority
- ❖ Vacaville Public Financing Authority

D. Magnitude of Finance Operations

The Administrative Services Department - Finance Division consists of 26 employees. The principal functions performed include:

- ❖ Accounting & Financial Reporting
- ❖ Accounts Payable
- ❖ Accounts Receivable
- ❖ Business License Administration
- ❖ Investment Management
- ❖ Long Term Financial Planning
- ❖ Bond Administration
- ❖ Purchasing
- ❖ Utility Billing

E. Computer Systems

The City's computerized systems are run on a Dell Server, Storage Area Network (SAN), and Local Area Network (LAN); 99% virtualized. The accounting functions are computerized using Tyler Technology/Eden systems software on a Microsoft SQL Server based system. The applications operating on this system include: accounts payable, accounts receivable, fixed assets, general ledger, budgeting, human resources, payroll, project accounting, purchasing, requisitioning, and utility billing. The Business license functions are managed using HdL Companies on a Microsoft SQL Server based system. Recreation programs and facility registrations are managed on CivicRec parks and recreation software. The City's building and planning department uses TRAKiT. The City is currently in the process of implementing a new ERP solution (Tyler Munis) to replace Tyler Eden. The City anticipates the financial phase of the implementation to go live in October 2020 and the payroll/human resources and utility billing phases to go live in the back half of fiscal year 2021 or early in fiscal year 2022.

F. Availability of Prior Reports and Work Papers

Badawi & Associates in Oakland, CA has conducted the City's audits for the past 6 years. The following financial statements were audited by Badawi & Associates for the fiscal year ended June 30, 2019:

- ❖ City of Vacaville Comprehensive Annual Financial Report
- ❖ Financial Statements for the Vacaville Housing Authority
- ❖ Financial Statements for the Solano County Housing Authority
- ❖ Transportation Development Act Compliance Report for the City of Vacaville's Transportation and Transit Operations Funds;
- ❖ Single Audit Report;
- ❖ Agreed-Upon Procedures Applied to Appropriations Limit Schedule (GANN Limit);
- ❖ Financial Statements for the CAP Solano JPA

IV. TIME REQUIREMENT

A. Proposal Calendar

The following is a list of key dates up to, and including, the date proposals are to be submitted:

<u>Date</u>	<u>Activity</u>
March 19, 2020	Request for Proposal issued
April 17, 2020	Due date for Proposals
April 30, 2020	Oral Interviews (conducted at City's discretion)
May 8, 2020	Expected Contract Award Date
June 1, 2020	Expected Start of Preliminary Work

B. Date Audit May Commence

Audit planning, including all necessary planning for documentation of systems of internal control and compliance and transaction testing should be completed during interim stage. It is expected the City will close its books and be ready for the final audit by approximately September 30th of each year.

C. Date Reports Are Finalized

The SAF shall provide all comments and recommendations for improvement to the Accounting Manager before the last day of field work or shortly thereafter. The SAF should be available for any meetings that may be necessary to discuss the audit. It is anticipated that this process will be completed and all final products will be produced by approximately December 1st of each year.

V. ASSISTANCE TO BE PROVIDED TO THE SELECTED AUDIT FIRM AND REPORT PREPARATION

A. Administrative Services Department - Finance Division Assistance

The Administrative Services Department - Finance Division staff will be available during the audit to assist the SAF by providing information, documentation, and explanations. The Accounting staff will prepare the Prepared By Client ("PBC") schedules as mutually agreed upon by the SAF and the City. If the optional items under Section II.A. are not exercised by the City, the City will prepare the financial statements for the City of Vacaville Comprehensive Annual Financial Report; Financial Statements for the Vacaville Housing Authority; Financial Statements for the Solano County Housing Authority; Financial Statements for the CAP Solano JPA, and the Financial Statements for the City of Vacaville's Transportation and Transit Operations Funds.

B. Work Area

The City will provide the SAF with reasonable work space for those services that are incapable of being completed off-site. The City will provide access to the internet. The SAF is responsible for securing all other necessary equipment to perform any on-site audits and/or off-site audits.

C. Report Preparation

The City will print and bind the following reports:

- ❖ City of Vacaville Comprehensive Annual Financial Report; unless optional services are selected.
- ❖ Transportation Development Act Compliance Report for the City of Vacaville's Transportation and Transit Operations Funds; unless optional services are selected.
- ❖ Financial Statements for the Vacaville Housing Authority; unless optional services are selected.
- ❖ Financial Statements for the Solano County Housing Authority; unless optional services are selected.
- ❖ Financial Statements for the CAP Solano JPA; unless optional services are selected.

The SAF will print and bind the following reports:

- ❖ Single Audit Report;
- ❖ Agreed-Upon Procedures Applied to Appropriations Limit Schedule (GANN Limit);
- ❖ Management Letter

VI. PROPOSAL REQUIREMENTS

A. *General Requirements*

- ❖ Inquiries concerning the RFP and the subject of the RFP should be directed to:

Crystal Reams, Accounting Manager
650 Merchant Street
Vacaville, CA 95688
(707) 449-5390
Crystal.Reams@cityofvacaville.com

Contact with personnel of the City other than the above regarding this RFP may be grounds for elimination from the selection process.

- ❖ Audit Firms are required to submit a proposal on **all** line items. Proposal submittals which do not include all line items will not be considered.
- ❖ Cash discount must be shown on proposal; otherwise, prices will be considered net. Unless prices and all information requested are complete, proposal may be disregarded and given no consideration.
- ❖ This RFP shall result in a firm, fixed price contract.
- ❖ In case of default by the SAF, the City may procure the articles of services from other sources and deduct from any monies due. If there are insufficient funds remaining on the contract to cover the costs incurred, the SAF may be billed for the difference between the price named in the contract or purchase order and the actual cost.
- ❖ All prices and proposals must be in ink or typewritten. No pencil figures or erasures are permitted. Mistakes may be crossed out and corrections inserted adjacent thereto and must be initialed in ink by the person signing the proposal.
- ❖ A responsible officer or employee must sign proposals, including the firm's name. Obligations assumed by such signature must be fulfilled.
- ❖ Submission of Proposal. One (1) signed original and two (2) copies of the Proposal shall be received in the Administrative Services Department - Finance Division by 5:00 p.m. on April 13, 2020 for a proposal to be considered. **The original must be clearly marked and contain original signatures and must be easily reproducible on a standard copy machine.** Failure to clearly mark the original and provide original signatures may result in a proposal being found non-responsive and given no consideration. The proposal should contain two sections: a technical section (including vendor qualifications, experience, and references) and a cost section (containing a not to exceed proposal along with additional information). The technical section of the proposal will be weighted more heavily than the cost portion of the proposal. The specific requirements for each section are described below in sections B, C, and D.

- ❖ The Proposal should be addressed as follows:

City of Vacaville
Administrative Services Department - Finance Division
Attn: Crystal Reams, Accounting Manager
650 Merchant Street
Vacaville, CA 95688

B. *Format for Technical Proposal*

- ❖ Title Page showing the RFP subject; the proposing firm's name; the name, address, telephone number, and e-mail address of the contact person; and the date of the proposal.
- ❖ Table of Contents identifying the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.
- ❖ Signed Transmittal Letter briefly stating the proposing firm's understanding of the work to be done; the commitment to perform the work within the time period; and the name(s) of the person(s) authorized to represent the proposing firm, title, address, telephone number, and e-mail address.
- ❖ Detailed Proposal following the order set forth in Section C.

C. *Contents of Technical Proposal*

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the proposing firm seeking to undertake an independent audit of the City in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than the form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the proposing firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The Technical Proposal should address all points outlined in this RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposing firm's capabilities to satisfy the requirements of this RFP. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

1. *License to Practice in California*

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

2. *Independence*

The firm should provide an affirmative statement that it is independent of the City of Vacaville as defined by auditing standards generally accepted in the United States of American and the General Accounting Office's *Government Auditing Standards*.

3. *Firm Qualifications and Experience*

To qualify, the proposing firm must have **extensive experience** in audits of local governments as well as experience with Comprehensive Annual Financial Statements in GASB 34 format. The proposing firm 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 on this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Staff consistency is an important consideration.

Proposing firm's experience providing audit services for other municipalities of similar size and complexity as found at the City of Vacaville.

Proposing firm's recent and current experience in performing federal single audits and producing reports that were accepted in the first submittal.

Proposing firm's experience in working with proprietary accounting data systems, and evidence of ability to work with the City's database system.

The proposing firm should provide the range of activities performed by the local office, e.g., audit, accounting, tax service and/or management consulting services.

The proposing firm must provide a list of all current municipal clients in California for which it is under contract for the 2020 fiscal year, and provide the name of the scheduled audit manager for each contracted California municipal client.

The proposing firm is also required to submit a copy of a report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific government engagements (required by Government Audit Standards).

The proposing 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 (3) years. In addition, the proposing firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with State regulatory bodies or professional organizations.

4. *Partner, Supervisory and Staff Qualifications and Experience*

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to this engagement. Include resumes, indicating whether each such person is registered or licensed to practice as a certified public accountant in California. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of the requested audits.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured. Elaborate on the experience of individual staff

members, who will be assigned to perform the requested audits, in public agency audits of similar size and complexity including audits resulting in the issuing of a Single Audit Selection Report, and in auditing proprietary accounting data systems.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the SAF, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the SAF provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Government Entities

List the most significant engagements (maximum – 5) performed in the last three (3) years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Also please indicate whether the audit was part of a Comprehensive Annual Financial Report prepared in conformance with the GASB 34 requirements. Information should be provided regarding clients that the proposing firm serves that have received the GFOA Certificate of Achievement in Financial Reporting award.

Please provide a list of not less than five client references for which services similar to those outlined in the RFP are currently being provided. For each reference listed, provide the name of the organization, dates for which the service(s) are being provided, type of service(s) being provided and the name, address and telephone number of the responsible person within the reference's organization. Indicate on which of the referenced project(s) the proposed audit manager has served. The City reserves the right to contact any or all of the listed references regarding the audit services performed by the proposing firm.

6. 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 RFP. In developing the work plan, reference should be made to such sources of information as City of Vacaville's budget and related materials, organization charts, manuals, programs, and financial and other management information systems.

The proposing firm(s) will be required to provide the following information on their audit approach:

- ❖ Proposed segmentation for the engagement;
- ❖ Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- ❖ Sample size and the extent to which statistical sampling is to be used in this engagement;
- ❖ Extent of use of EDP software in this engagement;
- ❖ Type and extent of analytical procedures to be used in this engagement;
- ❖ Approach to be taken to gain and document an understanding of the City's internal control structure;
- ❖ Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- ❖ Approach to be taken in drawing audit samples for purposes of tests of compliance.

7. *Identification Anticipated Potential Audit Problems*

The proposal should identify and describe any anticipated potential audit problems, the proposing firm's approach to resolving these problems and any special assistance that will be requested from the City.

NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

D. *Contents of Cost Proposal*

1. *Total All-Inclusive Maximum Price*

The cost proposal should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or cost proposal. Such costs should not be included in the proposal.

The cost proposal should be submitted in the format provided in Attachment A, titled "AUDIT WORK COST PROPOSAL FORM" and Attachment B, titled "ESTIMATE OF COST".

2. *Manner of Payment*

Payments will be made based upon estimated percentage of annual total work performed in that invoice period to a *total maximum fee* for that year. Fees for services rendered may be billed as work progresses to 85% of the fee for each audit. Final payment will be made within ten (10) days after submission to City of the Independent Auditor's Reports and Management Letter. Payments will be made within thirty (30) days after receipt of an original invoice. SAF shall make every reasonable effort to see that submission is made by December 1st of each contract year.

VII. EVALUATION OF PROPOSALS AND NEGOTIATIONS

An Evaluation Panel will review all proposals submitted and select the top three (3) proposals. These top vendors will then be invited to make a presentation to the Evaluation Panel in City Offices in Vacaville, California, at no cost to the City. After presentations from the top three (3) vendors, at its sole discretion, the City may request a **Best and Final** offer vis-à-vis the proposed cost from any or all of the top three (3) vendor(s). Based on the presentation and Best and Final offers, if requested, the Evaluation Panel will select the proposal which best fulfills the City's requirements. The City will negotiate with that vendor to determine final pricing, and contract form. There will be no public opening and reading of the proposal submissions. Overall responsiveness to the RFP is an important factor in the evaluation process.

All evaluation panel meetings will be held internally; there will be no public meetings. Therefore, public dissemination of proprietary data or trade secrets should not be an issue, however, such data should be clearly marked within the proposal or sent under separate cover.

Proposals will be evaluated on the basis of:

- ❖ Determination that the proposing firm is independent and licensed to practice in California.

- ❖ Determination that the proposing firm has no conflict of interest with regard to any of the work performed by the proposing firm for the City.
- ❖ Proposing firm's experience providing audit services for other municipalities of similar size and complexity as found at the City of Vacaville.
- ❖ Proposing firm's recent and current experience in performing federal single audits and producing reports that were accepted in the first submittal.
- ❖ Proposing firm's experience in working with proprietary accounting data systems, and evidence of ability to work with the City's database system.
- ❖ Experience of proposing firms' individual staff members, who will be assigned to perform this audit, in public agency audits of similar size and complexity including audits resulting in the issuing of a Single Audit Selection Report, and in auditing proprietary accounting data systems.
- ❖ Responsiveness to the RFP and understanding of the scope of work as evidenced by the proposals, estimate of staff hours required, references, and interviews.
- ❖ References.
- ❖ Commitment to timeliness in the conduct of the audit.
- ❖ Maximum fees to conduct the audit.

A. SUBMISSION OF PROPOSALS

Information must be furnished complete in compliance with the terms, conditions, provisions and specifications of the RFP. The information requested and the manner of submission is essential to permit prompt evaluation of all proposals on a fair and uniform basis.

Accordingly, the City reserves the right to declare as non-responsive and reject any proposal in which material information requested is not furnished or where indirect or incomplete answers or information is provided.

Proposals and modifications or corrections thereof received after the closing time specified will not be considered.

Proposals shall be for the total gross price including all applicable taxes and charges.

No electronic, telegraphic, telephone, or facsimile of proposals will be accepted. If a photocopy is to be submitted, it must be signed in original, in ink.

If you do not submit a proposal, your name may be removed from our mailing list.

B. PROPOSAL POSTPONEMENT AND AMENDMENT

The City of Vacaville reserves the right to revise or amend the specifications up to the time set for opening of proposals. Such revisions and amendments, if any, shall be announced by amendments to this solicitation. Copies of such amendments shall be furnished to all prospective auditors. Prospective auditors are defined as those auditors listed on the City's RFP list for this material/service or who have obtained this document subsequent to the advertisement. If revisions and amendments require changes in quantities or prices proposed, or both, the date set for opening of proposals may be postponed by such number of days as in the opinion of the City shall enable auditors to revise their proposals. In any case, the proposal opening shall be at least five working days after the last amendment; and the amendment shall include an announcement of the new date, if applicable, for the opening of proposals.

C. SINGLE PROPOSAL RESPONSE

If only one proposal is received by the City in response to this RFP, a detailed cost proposal may be requested of the single auditor. A cost/price analysis and evaluation and/or audit may be performed of the cost proposal in order to determine if the price is fair and reasonable.

D. PROPOSAL WITHDRAWAL

After the proposals are opened, proposal may not be withdrawn for ninety (90) calendar days. Prior to the date/time set for the proposal opening, however, proposals may be modified or withdrawn by the proposing firm's authorized representative in person. If proposals are modified or withdrawn in person, the authorized representative shall make his identity known and shall sign a receipt for the proposal. Written or facsimile notices shall be received in the office indicated on the DESIGNATED CONTACT page of this RFP no later than the exact date/time for the proposal opening.

E. AUDITOR INVESTIGATION

Before submitting a proposal, each proposing firm shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the full performance of the contract and to verify any representations made by the City upon which the proposing firm will rely. If the proposing firm is awarded the contract as a result of its proposal submission, failure to have made such investigations and examinations will in no way relieve the SAF from their obligation to comply with all provisions and requirements of the contract, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim whatsoever by the SAF for additional compensation.

F. COMPETENCY OF AUDITORS

No proposal will be accepted from or contract awarded to a proposing firm who is not licensed in accordance with the law. The proposing firm must hold a valid license to perform work defined within this contract. The proposing firm awarded the contract must have successfully performed on projects of similar character and scope. The SAF may be required, before the award of any contract, to show, to the complete satisfaction of the City, that it has the necessary facilities, ability, experience, and financial resources to provide the services specified herein in a satisfactory manner. Generally, SAF history and references are required at a minimum. The City may make reasonable investigations deemed necessary and proper to determine the ability of a proposing firm to perform the work, and the proposing firm shall furnish the City all information requested for this purpose.

G. AWARD

The City of Vacaville reserves the right to reject any and all proposals; to waive any irregularities in the proposals; and to accept the proposal that appears to be in the best interest of the City. The City intends to award to a single proposing firm.

In determining and evaluating the best proposal, the prices will not necessarily be controlling, but quality, equality, efficiency, utility, general terms, delivery, suitability of the service offered, and the reputation of the service in general use will also be considered with any other relevant factors. This information will be a critical part of the proposal evaluation and award. Failure to provide this information may be sufficient reason to declare the proposal non-responsive. The Evaluation Panel shall be the sole judge in the determination of these matters.

Notice of award: Contract will be awarded within ninety (90) days of opening of proposals to the proposing firm whose proposal complies with all the requirements in the RFP and is found to be the best value to the City.

SAF shall submit to the City, for approval, within ten (10) days from notice of contract award, **all** Certificates of Insurance evidencing the required coverage as described in Insurance Requirements, Exhibit E of Attachment C.

The SAF shall not commence work under the terms and conditions of the contract until all Certificates of Insurance have been approved by the City and SAF has received notice to proceed in writing and an executed copy of the contract from the City of Vacaville Accounting Manager.

H. PAYMENT TO THE SELECTED AUDIT FIRM

Payment will be made on a calendar-month basis in arrears. The SAF shall submit an invoice to the City of Vacaville, Accounts Payable, 650 Merchant Street, Vacaville, CA 95688.

In connection with any cash discount or interest specified in this RFP, time will be computed from the date correct invoices are received in the City Administrative Services Department - Finance Division. For the purpose of earning the discount, payment is considered made on the date of mailing of the City check.

I. CONTRACT ADMINISTRATION

Except as otherwise specifically provided in this RFP and the resulting Purchase Contract or Purchase Order, any notice, submittal or communication required or permitted to be served on a party hereto, may be served by personal delivery to the person or the office of the Contact Person. Service may also be made by mail, by placing a notice, submittal or communication in an envelope with the proper first-class postage affixed thereto and addressed as indicated, and depositing said envelope in the United States mail.

J. RETENTION OF RECORDS

The SAF shall be required to retain any records necessary to document the charges for goods to provide or services to be performed and make such records available to the City for inspection at the City's request for a period of four (4) years.

K. NON-COLLUSION AFFIDAVIT

The proposing firm declares, by signing and submitting a proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposing firm has not directly or indirectly induced or solicited any other person or firm to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any person or firm to put in a sham proposal, or that anyone shall refrain from submitting a proposal; that the proposing firm has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the proposing firm or any other person, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other person or firm, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the proposing firm has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

Attachment A

AUDIT WORK COST PROPOSAL FORM

Service	2019/20	2020/21	2021/22	2022/23	2023/24
City Audit and Related Reports					
Transportation Development Act Audit and Related Reports					
Vacaville Housing Authority Audit and Related Reports					
Solano County Housing Authority Audit and Related Reports					
Single Audit and Related Reports					
CAP Solano JPA Audit and Related Reports					

Attachment B

ESTIMATE OF COST

Name of Firm: _____

Address: _____

Contact Name & Title: _____

Contact Phone #: _____

Contact FAX #: _____

Contact E-mail: _____

Auditor's Standard Hourly Billing Rates					
POSITION	2019/20	2020/21	2021/22	2022/23	2023/24
Partner					
Manager					
Senior Accountant					
Staff Accountant					
Clerical					

Attachment C

**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF VACAVILLE AND**

FOR

THIS AGREEMENT is made and entered into on the date last written below, by and between the CITY OF VACAVILLE, a municipal corporation (hereinafter "CITY"), and _____, a California corporation, (hereinafter "CONSULTANT").

RECITALS

The purpose for which this AGREEMENT is made, and all pertinent recitals, are listed on EXHIBIT A, entitled "RECITALS", which is attached hereto and incorporated herein.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. SCOPE OF SERVICES.

CONSULTANT shall perform those services specified in detail in EXHIBIT B, entitled "SCOPE OF SERVICES", which is attached hereto and incorporated herein.

SECTION 2. TERM OF AGREEMENT.

The term of this AGREEMENT shall be from (*check one*):

the date of this AGREEMENT last written below to _____, inclusive, subject to the provisions of SECTION 11 of this AGREEMENT.

_____ to _____, inclusive, subject to the provisions of SECTION 11 of this AGREEMENT.

SECTION 3. SCHEDULE OF PERFORMANCE.

The services of CONSULTANT are to be completed according to the schedule set out in EXHIBIT C, entitled "SCHEDULE OF PERFORMANCE", which is attached hereto and incorporated herein. Time is of the essence in this AGREEMENT.

SECTION 4. COMPENSATION.

The compensation to be paid to CONSULTANT, including both payment for professional services and reimbursable expenses, shall not exceed _____ dollars (\$ _____). The rate and schedule of payment are set out in EXHIBIT D, entitled "COMPENSATION", which is attached hereto and incorporated herein.

SECTION 5. METHOD OF PAYMENT.

Each month, CONSULTANT shall furnish to CITY a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month's actual reimbursable expenditures permitted hereunder.

SECTION 6. INDEPENDENT CONTRACTOR.

It is understood and agreed that CONSULTANT (including CONSULTANT's employees), in the performance of the work and services agreed to be performed by CONSULTANT, shall act as and be an independent contractor and not an agent or employee of CITY; and, as an independent contractor, neither CONSULTANT nor CONSULTANT's employees shall have any rights to retirement benefits or other benefits that accrue to CITY's employees and CONSULTANT hereby expressly waives any claim it or its employees may have to any such benefits or rights.

SECTION 7. ASSIGNABILITY.

The parties agree that the expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CONSULTANT shall not assign or transfer any interest in this AGREEMENT nor the performance of any of CONSULTANT's obligations hereunder, without the prior written consent of CITY, and any attempt by CONSULTANT to so assign or transfer this AGREEMENT or any rights, duties or obligations arising hereunder shall be void and of no effect.

SECTION 8. INDEMNIFICATION.

A. INDEMNITY.

CONSULTANT shall indemnify and hold harmless CITY, its officers, officials, employees and volunteers from and against all actions, causes of actions, damages, costs, liabilities, claims, losses, judgments, penalties and expenses of every type and description, including without limitation any fees and/or costs reasonably incurred by CITY's staff attorneys or contract attorneys and any and all costs, fees and expenses incurred in enforcing this provision (hereafter collectively

referred to as "liabilities"), arising out of or in connection with any negligent act or omission, misconduct or other legal fault of CONSULTANT, its officers, employees, subconsultants, subcontractors or agents in connection with the performance or nonperformance of this AGREEMENT, whether or not CITY accepted or approved any service or work product performed or provided by CONSULTANT hereunder, and whether or not such liabilities are litigated, settled or reduced to judgment. In the event that a final decision or judgment allocates liability by determining that any portion of damages awarded is attributable to CITY's negligence or willful misconduct, CITY shall pay the portion of damages which is allocated to CITY's negligence or willful misconduct, provided that CITY shall not be liable for any passive negligence of CITY, its officers, officials, employees and volunteers in reviewing, accepting or approving any service or work product performed or provided by CONSULTANT.

B. OBLIGATION TO DEFEND.

CONSULTANT shall, upon CITY's request, defend with counsel approved by CITY (which approval shall not be unreasonably withheld), at CONSULTANT's sole cost and expense, any action, claim, suit, cause of action or portion thereof which asserts or alleges liabilities resulting from any allegedly negligent act, omission, misconduct or other legal fault of CONSULTANT, its officers, employees, subconsultants, subcontractors or agents in connection with the performance or nonperformance of this AGREEMENT, whether or not such action, claim, suit, cause of action or portion thereof is well founded or lacking in merit.

C. INSURANCE POLICIES; TERMINATION.

Acceptance of insurance certificates or endorsements required under EXHIBIT E of this AGREEMENT does not relieve CONSULTANT from liability under this SECTION 8 and shall apply to all damages and claims of every kind suffered, or alleged to have been suffered, by reason of CONSULTANT's negligence, misconduct, or other legal fault regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. The provisions of this SECTION 8 shall survive any termination of this AGREEMENT.

SECTION 9. INSURANCE REQUIREMENTS.

CONSULTANT agrees to have and maintain the policies of insurance set forth in EXHIBIT E, entitled "INSURANCE", which is attached hereto and incorporated herein. All policies, endorsements, certificates and/or binders shall be subject to approval by CITY's Risk Manager as to form and content. These requirements are subject to

amendment or waiver only if so approved in writing by CITY's Risk Manager. CONSULTANT agrees to provide CITY project manager with a copy of said policies, endorsements, certificates and/or binders before work commences under this AGREEMENT. The policies shall include a waiver of subrogation endorsement by which CONSULTANT's insurer agrees to waive all rights of subrogation against CITY, its officers, officials, employees and volunteers for losses arising from work performed by CONSULTANT for CITY.

SECTION 10. NONDISCRIMINATION.

CONSULTANT shall not discriminate in any way against any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age or sexual orientation in connection with or related to the performance of this AGREEMENT.

SECTION 11. TERMINATION.

A. CITY shall have the right to terminate this AGREEMENT, without cause, by giving not less than seven (7) days' written notice of termination.

B. If CONSULTANT fails to perform any of its material obligations under this AGREEMENT, in addition to all other remedies provided by law, CITY may terminate this AGREEMENT immediately upon written notice.

C. In accordance with Article XVI, Section 18 of the California Constitution, if in any fiscal year subsequent to the execution of this AGREEMENT, CITY fails to appropriate money for the purpose of funding this AGREEMENT, this AGREEMENT shall terminate, without penalty, effective upon the close of business on the last day of the fiscal year for which funding has been appropriated.

D. CITY's Director of _____ or his/her authorized designee is empowered to terminate this AGREEMENT on behalf of CITY.

E. In the event of termination, CONSULTANT shall deliver to CITY copies of all reports, documents, and other work performed by CONSULTANT under this AGREEMENT and, upon receipt thereof, CITY shall pay CONSULTANT for the reasonable value of services performed to the date of termination.

SECTION 12. GOVERNING LAW.

CITY and CONSULTANT agree that the law governing this AGREEMENT shall be that of the State of California.

SECTION 13. COMPLIANCE WITH LAWS.

CONSULTANT shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

SECTION 14. CONFIDENTIAL INFORMATION.

All data, documents, discussions, or other information developed or received by or for CONSULTANT in the performance of this AGREEMENT are confidential and not to be disclosed to any person except with the prior written permission of CITY, or as required by law.

SECTION 15. OWNERSHIP OF MATERIALS.

All reports, documents or other materials developed or discovered by CONSULTANT or any other person engaged directly or indirectly by CONSULTANT to perform the services required hereunder shall be and remain the property of CITY without restriction or limitation upon their use by CITY.

SECTION 16. WAIVER.

CONSULTANT agrees that waiver by CITY of any breach or violation of any term or condition of this AGREEMENT shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by CITY of the performance of any work or services by CONSULTANT shall not be deemed to be a waiver of any term or condition of this AGREEMENT.

SECTION 17. CONSULTANT'S BOOKS AND RECORDS.

A. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled 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 pursuant to this AGREEMENT.

B. CONSULTANT shall maintain all documents and records which demonstrate 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 CITY's City Attorney,

City Manager, or a designated representative of either of these officers. Copies of such documents shall be provided to 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 such records and documents be given to CITY and that such records and documents shall 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 during regular business hours.

SECTION 18. CONFLICT OF INTEREST.

CONSULTANT shall avoid all conflict of interest or appearance of conflict of interest in the performance of this AGREEMENT.

SECTION 19. SPECIAL PROVISIONS.

Special provisions, if any, to this AGREEMENT are specified in EXHIBIT F, entitled, "SPECIAL PROVISIONS", which is attached hereto and incorporated herein.

SECTION 20. NOTICES.

All notices and other communications required or permitted to be given under this AGREEMENT shall be in writing and shall be personally served or mailed, postage prepaid and addressed to the respective parties as follows:

TO CITY: <Name>, Project Manager
City of Vacaville
650 Merchant Street
Vacaville, CA 95688
ATTENTION:

TO CONSULTANT:

,
ATTENTION:

Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the mail.

SECTION 21. VENUE.

In the event that suit shall be brought by either party to this AGREEMENT, the parties agree that venue shall be exclusively vested in the state courts of the County of Solano or, where otherwise appropriate, exclusively in the United States District Court, Eastern District of California, Sacramento, California.

SECTION 22. INTERPRETATION.

Each party has reviewed this AGREEMENT and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for interpretation against the drafting party. This AGREEMENT shall be construed as if both parties drafted it. The captions and headings contained herein are for convenience only and shall not affect the meaning or interpretation of this AGREEMENT.

SECTION 23. SIGNATOR'S WARRANTY.

Each party warrants to each other party that he or she is fully authorized and competent to enter into this AGREEMENT in the capacity indicated by his or her signature and agrees to be bound by this AGREEMENT.

SECTION 24. PRIOR AGREEMENTS AND AMENDMENTS.

This AGREEMENT, including all Exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This AGREEMENT may only be modified by a written amendment duly executed by the parties to this AGREEMENT.

WITNESS THE EXECUTION HEREOF on the day and year last written below.

APPROVED AS TO FORM:

"CITY"

Melinda Stewart, City Attorney

CITY OF VACAVILLE, a municipal corporation

By: _____
[Insert Name and Title]

By: _____
[Insert Name and Title]

Dated: _____

"CONSULTANT"

[Insert company name and form of business, e.g. "XYZ COMPANY, a New York corporation"]

By: _____
[Insert Name and Title]

Dated: _____

EXHIBIT A

RECITALS

WHEREAS, CITY desires to obtain consultant services to _____ ; and

WHEREAS, _____ has the necessary professional expertise and skill to perform such services.

NOW, THEREFORE, the purpose of this AGREEMENT is to retain _____ as CONSULTANT to CITY to perform those services specified in SECTION 1 of this AGREEMENT.

EXHIBIT B

SCOPE OF SERVICES

EXHIBIT C

SCHEDULE OF PERFORMANCE

Work shall commence immediately upon execution of this AGREEMENT and shall be performed in accordance with the schedule set forth below. The time for completion is .

EXHIBIT D
COMPENSATION

CITY agrees to compensate CONSULTANT _____ dollars (\$) for professional services performed in accordance with the terms and conditions of this AGREEMENT.

The maximum amount of compensation to be paid to CONSULTANT under this AGREEMENT, including both payment for professional services and reimbursable expenses, shall not exceed _____ dollars (\$ _____). CONSULTANT shall not be entitled to any additional compensation unless CITY, after receiving written notice from CONSULTANT, approves in writing such additional compensation.

Reimbursable expenses shall include the reasonable cost of: _____ .

EXHIBIT E

INSURANCE

In all instances where CONSULTANT or its representatives will provide professional services to CITY, CITY requires the following MINIMUM insurance requirements and limits. CONSULTANT acknowledges that the insurance coverage and policy limits set forth in this EXHIBIT constitute the minimum amounts of coverage required. Any insurance proceeds available to CONSULTANT in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to CITY.

CONSULTANT shall procure and maintain insurance against claims for injuries to persons, damage to property or economic losses which may arise from or in connection with the performance of the work hereunder and the results of that work by CONSULTANT, its agents, representatives, employees or subcontractors.

CONSULTANT agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General and Auto Liability insurance, CONSULTANT shall look solely to its insurance for recovery. CONSULTANT hereby grants to CITY, on behalf of any insurer providing Commercial General and Automobile Liability insurance to either CONSULTANT or CITY with respect to the services of CONSULTANT herein, a waiver of any right to subrogation, which any such insurer of said CONSULTANT may acquire against CITY by virtue of the payment of any loss under such insurance.

Original signed certificates and separate policy endorsements naming the City of Vacaville as an additional insured for general liability, and a waiver of subrogation for Workers' Compensation Insurance shall be received and approved by CITY before any work may begin. However, failure to do so shall not operate as a waiver of these insurance requirements.

Minimum Scope of Insurance – the following forms shall be provided and coverage shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001) including coverage for on-going operations, and products and completed operations.
2. Original and separate Additional Insured Endorsements for General Liability On-Going Operations coverage (ISO Form CG 20 10 or CG20 38).
3. Original and separate endorsement for Primary and Non-Contributory coverage (ISO Form CG20 01).
4. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto)
5. Workers' Compensation Insurance as required by the State of California including Employer's Liability coverage.
6. Original and separate Waiver of Subrogation for Workers' Compensation Insurance.
7. Professional Liability or Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession.

Required Coverage	Minimum Limits
General Liability <i>(primary and excess limits combined)</i>	<p>Minimum coverage \$ <u>1,000,000</u> per occurrence/\$ <u>2,000,000</u> aggregate.</p> <p>Includes coverage for bodily injury, personal injury, property damage and products and completed operations. The policy shall not exclude coverage for XCU perils (explosion, collapse, or damage to underground property). If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit.</p> <p>Policy shall be endorsed to name the City of Vacaville as an additional insured per the conditions detailed below.</p>
Automobile Liability	<p>\$1,000,000 per occurrence for bodily injury and property damage.</p>
Workers' Compensation and Employers' Liability	<p>Statutory limits as required by the State of California including \$1,000,000 Employers' Liability per accident, per employee for bodily injury or disease. If CONSULTANT is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance.</p>
Professional Liability or Errors and Omissions Liability	<p>Minimum coverage \$ <u>2,000,000</u> per occurrence.</p>
Required Policy Conditions	
Additional Insured Endorsement	<p>Applicable to General Liability.</p> <p>The City of Vacaville, its officers, officials, employees, agents and volunteers are to be named as additional insured for all liability arising out of, or in any way caused, in whole or in part, actively or passively, by the named insured in the performance of this AGREEMENT. All coverage available to the named insured shall also be available and applicable to the additional insured.</p> <p><i>Additional Insured On-Going Operations Coverage shall be at least as broad as ISO Form CG20 10. (ISO Form C20 38 is also acceptable.)</i></p>
Primary and Noncontributory Endorsement	<p>CONSULTANT's insurance coverage must be primary and noncontributory coverage as it pertains to CITY, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by CITY is wholly separate from the insurance of CONSULTANT and in no way relieves CONSULTANT from its responsibility to provide the required limits of insurance. CONSULTANT agrees that it will not seek contribution from any other insurance or self insurance available to the CITY as the additional insured.</p> <p>Primary and Non-Contributory Endorsement at least as broad as ISO Form CG20 01 is required.</p>

A. M. Best Rating	A-:VII or better. If the A.M. Best Rating falls below the required rating, CONSULTANT must replace coverage immediately and provide prompt notice to CITY.
Waiver of Subrogation Endorsement	CONSULTANT’s insurer will provide a Waiver of Subrogation endorsement in favor of CITY for Workers Compensation coverage during the life of this AGREEMENT.
Deductibles and Self-Insured Retentions	Any deductible or self-insured retention over \$50,000 must be declared to and approved by CITY’s Risk Manager. At the option of CITY either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects CITY or CONSULTANT shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. CONSULTANT is responsible for satisfaction of the deductible and/or self-insured retention for each loss.

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be at least as broad as specified for underlying coverages and cover those insured in the underlying policies. Umbrella or Excess insurance shall apply on a primary and non contributory basis for the benefit of CITY before CITY’s own primary insurance or self insurance shall be called upon to protect it as a named insured. Upon request, a Schedule of Underlying Coverage shall be provided by CONSULTANT to CITY for review and approval

Claims-Made Policies

If any insurance policy is written on a claims-made form: 1) the retroactive date must be shown, and must be before the date of this AGREEMENT or the beginning of contract work. 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this AGREEMENT, CONSULTANT must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

Subcontractors

CONSULTANT shall require all subcontractors hired in connection with the performance of this AGREEMENT to name CITY as an additional insured for general liability insurance. Coverage shall be at least as broad as ISO Form CG20 38. All coverage available to the named insured shall also be available and applicable to CITY as the additional insured.

CONSULTANT is responsible for verifying subcontractors’ insurance policies and endorsements. CONSULTANT agrees to furnish to CITY upon request proof of insurance coverage for CONSULTANT’s subcontractors.

CONSULTANT agrees to defend and indemnify CITY for any damage resulting to it from failure of either CONSULTANT or any subcontractor to take out or maintain the required insurance policies. The fact that insurance is obtained by CONSULTANT, and/or CONSULTANT’s subcontractors, will not be deemed to release or diminish the liability of CONSULTANT, including, without limitation, liability under the indemnity provisions of this AGREEMENT. Damages recoverable by CITY from CONSULTANT or any third party will not be limited by the amount of the required insurance coverage.

Verification of Coverage

All original certificates and endorsements shall be received and approved by CITY *before work may begin*. CITY reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed, or delivered to CITY's Project Manager.

Insurance certificates and endorsements may be emailed or faxed to CITY's Project Manager. However, CONSULTANT must mail the original certificates and endorsements to CITY's Project Manager once emailed or faxed.

CITY's Project Manager

NAME:

ADDRESS:

EMAIL:

PHONE:

Continuous Coverage

CONSULTANT shall maintain the required insurance for a period of at least one hundred and eighty (180) days (except as required under Claims-Made Policies) after final payment has been made by CITY to CONSULTANT pursuant to this agreement. Should CONSULTANT cease to have insurance as required during this time, all work by CONSULTANT pursuant to this AGREEMENT shall cease until insurance acceptable to CITY is provided. **Maintenance of proper insurance coverage is a material element of AGREEMENT. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by CITY as a material breach of this AGREEMENT.** In the event that CONSULTANT fails to comply with CITY's insurance requirements, CITY may take such action as it deems necessary to protect CITY's interests. Such action may include but is not limited to termination of this AGREEMENT, withholding of payments, or other actions as CITY deems appropriate.

If services or the scope of work extend beyond the expiration dates of the required insurance policies initially approved by CITY, CONSULTANT must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to CITY's Designated Project Manager.**

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

EXHIBIT F

SPECIAL PROVISIONS

Check one:

- There are no special provisions.
- The special provisions to this AGREEMENT are as follows:
1. In case of default by CONTRACTOR, the CITY may procure the articles of services from other sources and deduct from any monies due. If there are insufficient funds remaining in this AGREEMENT to cover the costs incurred, the CITY may bill the CONTRACTOR for the difference between the compensation specified in Section 4 and Exhibit D of this AGREEMENT and the actual cost.
 2. CONTRACTOR may change engagement partners, managers, other supervisory staff and specialists if those personnel leave employment, are promoted, or are assigned to another office with the CONTRACTOR. These personnel may also be changed for other reasons with the express prior written permission of the CITY. However, in either case, the CITY retains the right to approve or reject replacements. CONTRACTOR may change other audit personnel other than those positions specified in the first sentence of this paragraph 2, provided that replacements have substantially the same or better qualifications or experience.