



CITY OF SUSANVILLE

REQUEST FOR PROPOSALS FOR CITY OF SUSANVILLE AUDITING SERVICES

Proposal Release Date

January 11, 2016

Proposal Submittal Due Date

February 19, 2016

CITY OF SUSANVILLE, CALIFORNIA
REQUEST FOR PROPOSAL FOR AUDIT SERVICES

Table of Contents

Part 1 – Audit Specifications	Page Number
I. Introduction	1
II. Description of the City	2
III. Scope of Work to be Performed.....	2
A. Services to be Performed by Auditors	2
B. Timeline Requirements	3
C. Reporting and Communication	4
D. Other Considerations	4
E. Specific Deliverables to the City of Susanville	5
IV. City Responsibilities	5
A. Finance Department	5
B. Report Preparation	5
V. Basis for Compensation	6
VI. Additional Provisions.....	6
VII. Special Terms and Conditions	7
 Part 2 – Proposal Requirements and Information	
I. Proposal Process and Calendar	8
A. Distribution of Proposals	8
B. Proposal Submission.....	8
C. Proposal Review and Notifications.....	8
D. Interviews.....	8
E. Final Selection and Notification	8
F. Important Dates to Remember	9
II. Proposal Requirements	9
A. Independence	9
B. License to Practice in California.....	9
C. Firm Qualifications and Experience	9

D.	Partner, Supervisor, and Staff Qualifications and Experience.....	10
E.	Specific Audit Approach.....	10
F.	Identification of Anticipated Potential Audit Problems.....	11
G.	Total All-Inclusive Maximum Price	11
H.	Rates by Partner, Supervisor, and Staff Level	11
I.	Ownership of City-Related Documents	11
J.	Acceptance of Proposal Contents	11
K.	Acceptance or Rejection and Negotiation of Proposals.....	11
III.	Evaluation Process	12
IV.	Format and Content of Proposals.....	13
A.	Title Page	13
B.	Table of Contents	13
C.	Letter of Transmittal	13
D.	Audit Team	13
E.	Audit Scope and Provisions	14
F.	Cost Data.....	14
G.	Additional Data.....	14

Appendices

- A. Format for Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Price
- B. Format for Schedule of All-Inclusive Maximum Price by Report
- C. Sample Copy of City “Consulting Services Agreement” includes insurance and business license requirements

PART 1 – AUDIT SPECIFICATIONS

I. INTRODUCTION

The City of Susanville (hereinafter referred to as “the City”) is requesting proposals from qualified firms of certified public accountants for a one-year contract to audit its financial statements for the fiscal year ending June 30, 2016. The Firm will be asked to audit the City’s Comprehensive Annual Financial Statements (hereinafter referred to as “the CAFR”), complete a Single Audit report if expenditure criteria are met and audit the City’s agency fund, Lassen County Air Pollution Control District. At the option of the City, the audit engagement may be extended for two subsequent fiscal years by written amendment. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office’s (GAO) *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments* and Governmental Accounting Standards Board (GASB) Pronouncements.

During the evaluation process, the City reserves the right, where it may serve the City of Susanville’s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Susanville and the firm selected.

To be considered, one (1) original and four (4) hard copies of the proposal along with one (1) electronic copy provided on CD must be received at the Office of the City Administrator, 66 North Lassen Street, City of Susanville, CA 96130 **no later than 3:00 pm February 19, 2016**. It is anticipated that the selected firm will be notified no later than the week of March 1, 2016. Failure to provide the required number of copies may render your proposal as non-compliant.

A copy of this request for proposal and the City’s most recent Comprehensive Annual Financial Report (CAFR) can be found on the City’s website www.cityofsusanville.org. All inquiries relating to this Request for Proposal should be submitted to one of the following:

Jared G. Hancock, City Administrator
City of Susanville
66 North Lassen Street
Susanville, CA 96130
(530) 252-5114
jhancock@cityofsusanville.org

Deborah Savage, Finance Manager
City of Susanville
66 North Lassen Street
Susanville, CA 96130
530-252-5112
dsavage@cityofsusanville.org

II. DESCRIPTION OF THE CITY

The City of Susanville was incorporated in 1900 as a general law city and operates under a City Council/City Administrator form of government. It is governed by an elected five-member council with each member also serving as a member of the governing board for its component unit, the Susanville Redevelopment Agency (RDA). The City is located in Lassen County in the Northeast portion of the State of California, and is approximately 80 miles Northwest of Reno, Nevada. The City serves as the county seat and is the only incorporated city within Lassen County. The City encompasses approximately 3.5 square miles with a population of 15,509 (includes two prisons) based on the January 1, 2015 State of California Department of Finance estimate.

The City's fund structure includes: General Fund (1), Special Revenue Funds (16), Debt Service Funds (4), Capital Projects Funds (1), Proprietary Funds - Enterprise (5) and Internal Service (3), and Agency Funds (4).

The estimated budget for FY 2015-2016 is \$17.5 million. The budget of the General Fund is \$5.3 million.

The City's financial statements are prepared in conformance with GASB 34 and have been audited by *Badawi and Associates, Certified Public Accountants* for the last 3 years.

The City uses Caselle financial software for general ledger, budget, accounts payable, payroll and accounts receivable.

III. SCOPE OF WORK TO BE PERFORMED

A. Services to be performed by Auditors.

1. In general, the auditors will perform a financial and compliance audit to determine (a) whether the combined financial statements of the City fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the City has complied with laws and regulations that may have a material effect upon the financial statements.
2. The auditors will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the City Administrator. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards. In addition, the auditors shall communicate to the City Administrator any reportable conditions found during the audit that can be defined as either a significant or material weakness in the design or operation of the internal control structure, which could adversely affect the

organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

3. 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 the City Administrator.
4. Auditors shall include all funds of the City and any component unit(s).
5. Auditors shall submit a report of their examination of the component units' financial statements for each such fiscal year, which shall include such component unit, general purpose and supplementary financial statements, notes to the financial statements and an opinion as to the fairness of their presentation in conformity with generally accepted accounting principles, applicable to the various funds or state the reasons for any exceptions to said principles.
6. Under the requirements of the Federal Government's program covering a single audit for all federal grant funds, auditors shall conduct an audit in accordance with the Single Audit Act Amendments of 1996 and in generally accepted auditing standards as well as generally accepted governmental auditing standards.
7. Auditors shall submit a management letter setting forth their findings and/or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to, a) improvement in systems of internal control, b) improvement in accounting system, c) apparent noncompliance with laws, rules, and regulations, and d) any other material matter coming to the attention of the firm during the conduct of the examination.

B. Timeline Requirements

1. Auditors shall schedule with the Finance Manager for the Fiscal Year 2015-2016 Audit.
2. All City books must be closed and ready for audit by the mutually agreed upon start date. City staff shall prepare detailed lead sheets and account reconciliations for the auditors.
3. Field work shall be completed no later than September 30, 2016 and a draft CAFR, presented according to the timetable listed under "Specific Deliverables to the City of Susanville" shall be prepared and delivered to the Finance Manager.
4. The Entrance Conference, Progress Reporting, and Exit Conference should be held within the time frames indicated on the schedule shown below:

i.	Entrance Conference with City Administrator and Finance Manager to discuss work to be performed, establish overall liaison for audit and arrangements for space and other needs of the auditor	Prior to start of audit field work
ii.	Progress conference with City Administrator and Finance Manager to discuss the year-end work to be performed	Midway through audit field work
iii.	Exit conference with City Administrator and Finance Manager to summarize the results of the field work and to review significant findings	At the conclusion of the year-end audit field work

C. Reporting and Communication

1. The auditors will meet continuously during the on-site field work process with the City Administrator to discuss preliminary audit findings and management recommendations.
2. Prior to issuing their final reports, the auditors will meet with the City Administrator with all audit reports to be addressed to the City Council.
3. The auditors may be consulted occasionally throughout the year as an information resource. Auditors may be asked to provide guidance on implementation of Government Account Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting. In addition, the auditors may be asked to assist with the implementation of new pronouncements (e.g. GASB 54, GASB 57).

D. Other Considerations

1. 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 Susanville of the need to extend the retention period.
2. The auditors will be required to make working papers available upon request to the appropriate parties. In addition, the firm shall respond to the reasonable inquiries of success auditors and allow review of working papers relating to matters of continuing accounting significance.
3. Throughout the year, the auditor will provide financial advice and counsel on matters occurring that would affect the annual report.
4. The audit partner/manager may be required to attend a City Council meeting to explain or clarify financial statements or accounting requirements.

E. Specific Deliverables to the City of Susanville

Reports	Due Date	Qty.
Audit of the general purpose financial statements and draft of the CAFR	No later than November 7, 2016	1 Electronic
Final CAFR document	No later than December 12, 2016	1 Electronic
Single Audit Report	No later than January 9, 2016	1 Electronic 7 Bound
Management Report	No later than December 12, 2016	1 Electronic 7 Bound
Lassen County Air Pollution Control District Final Basic Financial Statements	No later than December 30, 2016	1 Electronic 7 Bound

IV. CITY RESPONSIBILITIES

A. Finance Division

1. Finance Division staff will prepare the final closing of the books including any auditor adjusting entries or changes to the financial statements as well as providing balance sheets for all funds and groups, statements of revenue and expenditures for all funds including detailed subsidiary ledgers.
2. Finance Division staff will produce the transmittal letter, MD & A and statistical section to be included in the CAFR and the color cover for the document.
3. Finance Division staff will produce the confirmation letters that are mailed by the auditors.
4. Finance Division staff will be available to assist the auditors in locating records or preparing audit schedules. All requests from the auditors will be directed to the City Administrator or Finance Manager.
5. Finance Division staff will provide the auditors with reasonable workspace to include desks and chairs as well as access to telephones, facsimile machines, and photocopying machines.

B. Report Preparation

1. The auditors will prepare a draft copy of the CAFR for review.
2. Final preparation and printing of the CAFR will be the responsibility of the auditors.
3. Preparation, editing, and printing of all other reports as indicated in Part I, Section III (E) Specific Deliverables to the City of Susanville, will be the responsibility of the auditors.
4. Finance Division staff will produce the confirmation letters that are mailed by the auditors.

V. BASIS FOR COMPENSATION

- A. The City will pay the auditors for the services described in Part I, Section III (Scope of Work to be Performed) that do not exceed the amount contained within a signed agreement between the City and the Audit Firm. For additional services required after the inception of the agreement, written approval by the City shall be required in advance of such services being rendered. The fee for such services shall be paid based on the auditor's quoted hourly rates.
- B. The City shall receive all final opinions and reports for the City of Susanville financial statements no later than the December 12 of each year as outlined in Section III (E) "Specific Deliverables to the City of Susanville" barring any unforeseen City delays. If delay of deliverables is a result of the audit firm/consultant, a 1% reduction in fees for every day beyond the applicable deadline shall be taken. Final reports for Grants and Agency programs shall be completed in time to meet required submission dates.

VI. ADDITIONAL PROVISIONS

- A. Upon notice of intent to award contract, the successful contractor shall enter into a Consulting Services Agreement with the City of Susanville.
- B. No officer, agent, or employee of the City and no member of its governing bodies shall have any financial interest, direct or indirect, in this agreement or the proceeds thereof. No officer, agent, or employee of the auditors shall serve on a City committee or hold any such position which is incompatible with such person's duties or obligations or other relationship to this agreement.
- C. Time is of the essence in each and all provisions of this agreement.
- D. Pursuant to the Single Audit Act of 1984, as amended in 1996, any state or federal agency shall have access to the auditor's work papers for purposes of review. 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 Susanville of the need to extend the retention period. The auditors shall make their working papers available to successors. The auditor will also be required to make working papers available, upon request, to the following parties or their designees:
 - 1. City of Susanville
 - 2. Department of Housing and Urban Development
 - 3. U.S. General Accounting Office (GAO)
 - 4. Parties designated by the federal or state governments or by the City of Susanville as part of an audit quality review process.

5. Auditor of entities of which the City of Susanville is a sub-recipient of grant funds.
6. Auditor of entities of which the City of Susanville is a component unit.

In addition, the audit 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.

VII. SPECIAL TERMS AND CONDITIONS

- A. Invoices received from the vendor will be processed no sooner than thirty (30) days from receipt.
- B. The City is not liable for any pre-contractual expenses incurred by any bidder. In addition, no bidder shall include any such expenses as part of the price proposed to conduct the operation.
- C. The City reserves the right to withdraw the RFP at any time without prior notice. Further, the City makes no representations that any agreement will be awarded to any bidder responding to this RFP. The City expressly reserves the right to postpone action regarding this RFP for its own convenience and to reject any and all proposals in response to this RFP without indicating reasons for such rejection.
- D. The City is not responsible for oral statements made by any of its employees or agents concerning this RFP. If the bidder requires specific information, the bidder must make the request in writing as instructed in the RFP.
- E. All responses to the RFP shall become the property of the City and a matter of public record. Responders must identify all copyrighted material, trade secrets or other proprietary information that the responder claims are exempt from disclosure by the California Public Records Act. In the event a responder claims such exemption, the responder must state in the response that:

“The responder will indemnify the City and hold it harmless from any claim or liability and defend any action brought against the City for its refusal to disclose copyrighted material, trade secrets, or other proprietary information to any person making a request thereof.”

Failure to include such a statement shall constitute waiver of the responder’s right to exemption from disclosure and authority for the City to provide a copy of the proposal or any part thereof to the requestor.

- F. The individual(s) preparing and submitting the proposal must state they possess the authority to bind the firm to the terms of the RFP.

- G. All questions regarding this RFP should be made in writing and emailed to:
dsavage@cityofsusanville.org

PART 2 – PROPOSAL REQUIREMENTS AND INFORMATION

I. PROPOSAL PROCESS AND CALENDAR

A. Distribution of Proposals

Request for Proposals shall be available on the City of Susanville website,
www.cityofsusanville.org on January 11, 2016.

B. Proposal Submission

Proposals for the City of Susanville audit must be received **no later than 3:00 pm February 19, 2016**. Proposals submitted via facsimile or by electronic mail will not be accepted. A total of one (1) original, four (4) copies, and one (1) electronic copy provided on CD must be submitted to the following:

City of Susanville
Jared G. Hancock, City Administrator
66 North Lassen Street
(530) 252-5104
jhancock@cityofsusanville.org

Proposals must be sealed and show the following information on the outside of the package in the lower left corner: audit firm's name, address, and RFP Title. Late or incomplete proposals will not be considered.

C. Proposal Review and Notification

The City Administrator and a selection panel will review and evaluate each proposal submitted. It is anticipated that the proposal review process will be completed the week of February 29, 2016. Written notification will be sent only to those firms that were selected for an interview.

D. Interviews

The City will schedule interviews with the finalists by the week of March 7, 2016. Firms selected for interviews are requested to prepare a short presentation for the committee.

E. Final Selection and Notification

The City anticipates sending written notification of status to the finalists by the week of March 1, 2016.

F. Important Dates to Remember

January 11, 2016	RFP Available
February 19, 2016	Deadline for Proposal Submittal
March 7, 2016 (tentative)	Interviews with Finalists
March 23, 2016 (tentative)	Selection Notification
April 6, 2016 (tentative)	Report to City Council
After June 1, 2016 but not later than September 30, 2016	Commence Field Work

PROPOSAL REQUIREMENTS

A. Independence

The audit firm should provide an affirmative statement that it is independent of the City of Susanville as defined by generally accepted auditing standards. Moreover, the firm must have no conflict of interest with regard to any other work performed for the entity being audited. It is understood that the services performed by the auditors are in the capacity of independent contractors and not as an officer, agent, or employee of the City of Susanville.

B. License to Practice in California

The audit firm should provide an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

C. Firm Qualifications and Experience

1. The proposal 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 staff to be so employed on a part-time basis. Please indicate whether any members of the audit team assigned to the City are reviewers in the California Society of Municipal Finance Officers Certificate of Achievement for Excellence in Financial Reporting program.
2. The audit firm shall 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.

3. The audit firm shall 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 audit 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. For the audit firm's office assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. The audit firm shall state experience with clients issuing Financial Statements under GASB 34. Indicate the scope of work, date engagement partners, total hours, and the name and telephone number of the principal client contact.

D. Partner, Supervisory, and Staff Qualifications and Experience

The audit firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California. The audit firm should also provide information on the governmental auditing experience, including the scope of audit services requested by the City, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The audit firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience and training of the specific staff to be assigned to this agreement. The audit firm should also indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, 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 of Susanville. However, in either case, the City of Susanville reserves the right to approve or reject replacements. This shall also apply to consultants and firm specialists mentioned in response to this request for proposal.

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

E. 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 Part I, Section III of this request for proposal.

F. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems and the adoption of new laws or accounting audit principles that might effect the audit and the firm's approach to addressing these problems and any special assistance that will be requested from the City of Susanville.

G. Total All-Inclusive Maximum Price

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

H. Rates by Partner, Supervisor, and Staff Level Times Hours Anticipated for Each

The proposal should include a schedule of professional fees and expenses, as presented in the format shown in Appendix A, which supports the total all-inclusive maximum price in the format shown in Appendix B.

I. Ownership of City-Related Documents

All property rights, including publication rights of all reports produced by proposer in connection with services performed under this agreement shall be vested in the City of Susanville. The proposer selected shall not publish or release any of the results of its examinations without the express written permission of the City of Susanville City Administrator.

J. Acceptance of Proposal Contents

After an audit firm is selected by the City, the contents of the submitted proposal shall become a contractual obligation. The successful proposer will be required to execute a standard consultant agreement with the City as exemplified in Appendix C. Failure of the audit firm to agree to include the proposal as part of the contractual agreement may result in cancellation of the award. The City reserves the right to reject those parts that do not meet with the approval of the City.

K. Acceptance or Rejection and Negotiation of Proposals

The City reserves the right to reject any or all proposals, to waive non-material irregularities or information in the request for proposal, and to accept or reject any item or combination of items. By requesting proposals, the City is in no way obligated to award a contract or to pay expenses of the proposing firms in connection with the preparation or submission of a proposal. Furthermore, the City reserves the right to reject any and all proposals prior to the execution of the contract(s), with no penalty to the City of Susanville. In addition, if the City elects to reject all of the proposals, it reserves the right to select one at random to negotiate a contract for services. All requests for proposals received by the City will remain open, valid and subject to acceptance for a period of six months.

III. EVALUATION PROCESS

The proposals for the City's audit will be evaluated by a committee selected by the City Administrator. Proposers may be required to make oral presentations as a supplement to their proposals. These presentations would only be held subsequent to the receipt of the proposals and will be part of the evaluation process to determine qualifications of the audit firm. The City will schedule a time and location in the City of Susanville for each oral presentation that it requests. Should a proposer refuse to honor the request for an oral presentation or interview, it may result in the rejection of the proposal by the City. Evaluation considerations will include the following:

- A. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
- B. Cost. Although a significant factor, cost will not be the primary factor in the selection of an audit firm.
- C. Auditors' experience in conducting audits of cities of similar nature, size, and complexity, and the auditors' commitment to maintaining technical expertise in the municipal financial environment.
- D. Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration.
- E. Size and structure of the firm's office from which the audit work is to be done. The City is looking for a highly qualified team that is able to meet the due dates specified in this document, and it expects that same team (wherever possible) to complete any successive year's engagements.
- F. Auditors' experience in complying with applicable federal and state regulations relating to non-discrimination of an affirmative action program for equal employment opportunity.

- G. Ability of the firm in providing optional services such as special studies, system review and other services. Examples of such services performed for other client cities will be helpful.

IV. FORMAT AND CONTENT OF PROPOSAL

A. Title Page

The title page should include the request for proposal subject and number, the name of the proposer's firm, local address, telephone number, name of contact person, and date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

1. State whether the firm is local, national, or international.
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, or management services.
4. Describe the local office's information technology (IT) audit capabilities, including the number and classifications of personnel skilled in IT auditing who will work on the audit.
5. Describe the local office's recent auditing experiences similar to the type of audits requested and give the names and telephone numbers of client officials responsible for five of the audits listed.
6. Describe the document publication technology and staff formatting and proofreading expertise.

D. Audit Team

1. Describe the composition of the audit team, including staff from other than the local office, and consultants. Describe the commitment of the firm to providing the same audit team on subsequent audits. Include resumes of each person so identified.

2. Identify the supervisors and consultants who will work on the audit and include resumes of each person so identified.
3. Identify any members of the audit team who are certified CAFR reviewers in the GFOA or California Society of Municipal Finance Officers (CSMFO) Certificate of Excellence in Financial Reporting programs.

E. Audit Scope and Provisions

Describe the scope of the required services to be provided and outline a plan on how such services will be provided. Please include depth of work, staffing, and time estimates. Proposers should list all reports including management letters that are to be issued, the points to be addressed by reports, and the estimated completion dates.

F. Cost Data

Indicate the total hours and hourly rates by staff classification and the resulting all-inclusive maximum fee (not to exceed total) for which the requested work will be done for each of the specific deliverables identified in this Request for Proposal. Fees must include all anticipated costs including travel, per diem, and out-of-pocket expenses.

G. Additional Data

Data not specifically requested should not appear in the foregoing sections, but any additional information considered essential to the proposal may be presented at this section.

APPENDIX A

Schedule of Professional Fees and Expenses to Support the Total All-Inclusive Maximum Price	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	_____	\$ _____	\$ _____	\$ _____
Manager	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Other (Specify)	_____	\$ _____	\$ _____	\$ _____
Sub-Total				\$ _____ _____
Out-of-Pocket Expenses				\$ _____
Total				\$ _____ _____

APPENDIX B

All-Inclusive Maximum Price by Report	Optional Years		
	FY 2015-16	FY 2016-17	FY 2017-18
City	_____ \$	_____ \$	_____
Lassen County Air Pollution Control District Audit	_____ \$	_____ \$	_____
Single Audit	_____ \$	_____ \$	_____
Total	===== \$	===== \$	=====

APPENDIX C

SAMPLE

AGREEMENT FOR AUDITING SERVICES BETWEEN THE CITY OF SUSANVILLE AND [NAME OF CONSULTANT]

THIS CONSULTANT SERVICES AGREEMENT is made and effective as of, 201X between the City of Susanville, a municipal corporation ("City") and Corporation. ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on, 201X, and shall remain in effect for one year with a renewal option for two additional years, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**

Consultant shall perform the tasks described and set forth in the Request for Proposal, attached hereto and incorporated herein as though set forth in full as part of its services. Consultant may be asked to provide additional services if necessary during the term of this Agreement.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **PAYMENT**

(a) The City agrees to pay Consultant in accordance with the payment rates and terms and the schedule of payment as set forth in Appendix B in the Request for Proposal, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the tasks outlined in the RFP, attached hereto and incorporated herein by this reference. This amount shall not exceed dollars \$..... for the services of this Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Administrator. Consultant shall be compensated for any additional services in the

amounts and in the manner as agreed to by the City Administrator and at the time the City's written authorization is given to Consultant for the performance of said services.

(c) Consultant will submit invoices for actual services performed. Payment shall be made no sooner than thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

5. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City.

6. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Administrator determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

7. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant.

8. **INDEMNIFICATION**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

9. **INSURANCE**

A) Consultant shall maintain in-force: Public Liability and Professional Liability Insurance. During the term of this Agreement, Consultant shall maintain in full force and affect a policy of public liability insurance with minimum coverage of \$1,000,000 in accordance with the requirements provided by CITY to Consultant. Consultant shall also maintain in-force; Professional Liability Insurance (and/or Errors & Omissions Insurance) with minimum limits of liability of \$1,000,000 combined single limit coverage against an injury, death, loss or damages because of wrongful or negligent acts or omissions by the named insured.

B) Contractor shall maintain in-force Workers' Compensation and Employer's Liability Insurance as required by the California Labor Code. Evidence of coverage shall take the form of a Certificate of Insurance or a California Certificate to Self-Insure. Acceptable minimum limits for this

coverage are: Workers' Compensation; Statutory in California; Employer's Liability: \$1,000,000.

- C) Certificates of Insurance. Contractor shall furnish to Customer evidence of any insurance required by this Agreement. A Certificate of Insurance from an insurer admitted to do business in the State of California will be provided, indicating that the respective policy(s) meets the following requirements: (1) The City, its officers, employees, and agents shall be named as additional insured on the General Liability Insurance; (2) Insurance shall not be canceled or terminated without 30 days written notice to City; (3) General Liability shall be primary and any insurance held by City for its own protection shall be excess and shall be effective only upon exhaustion of Contractor's insurance; (4) Insurance shall be maintained for the duration of the Agreement, including any period extended beyond the expiration date of this Agreement required to complete performance as stipulated in this Agreement and all amendments thereto.

10. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

11. **LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

12. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Susanville in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial incentive. No officer or employee of the City of Susanville will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

13. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

14. **RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Administrator or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

15. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City because of the personal nature of the services to be rendered pursuant to this Agreement.

16. **LICENSES**

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement including a city business license as required by City of Susanville Municipal Code.

17. **GOVERNING LAW**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City of Susanville.

18. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

19. **AUTHORITY TO EXECUTE THIS AGREEMENT**

s The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF SUSANVILLE:

CONSULTANT

Brian Wilson
Mayor
City of Susanville

By:_____

Title:

APPROVED AS TO FORM:

ATTEST:

Jessica Ryan
City Attorney
City of Susanville

Gwenna MacDonald
City Clerk
City of Susanville