



**REQUEST FOR PROPOSALS**  
**for**  
**Professional Auditing Services**

Sealed proposals must be received no later than **3:00 pm. on April 10, 2023** by the City Clerk's office for the City of Monterey Park, Monterey Park CA, for Professional Auditing Services, RFP # 835

Packets may be obtained from the Finance Services Department by emailing Maria Espinosa-Chavez at: [mespinosa-chavez@montereypark.ca.gov](mailto:mespinosa-chavez@montereypark.ca.gov).

Please refer to specifications for complete details and bid requirements.

The specifications in this notice are a part of any contract awarded in accordance with this RFP.

**CITY OF MONTEREY PARK  
REQUEST FOR PROPOSAL**

PROPOSAL # 835

**PROPOSALS ARE DUE: NOT LATER THAN 3:00pm, on April 10, 2023.**

The City of Monterey Park is seeking proposals from qualified firms to provide **Professional Auditing Services.**

1. Submit Proposal to:  
**City of Monterey Park**  
**Att: City Clerk**  
**Professional Auditing Services**  
**RFP # 835**  
**320 W. Newmark Avenue**  
**Monterey Park, CA. 91754**
2. Proposer must honor proposal prices for sixty (60) days.
3. Proposals must include this Proposal form and be signed by the vendor's authorized representative.
4. Award of a contract will be made by the City Council based upon the criteria set forth in this RFP and will be made based upon the best qualified proposer rather than lowest price.

**PROPOSER TO READ**

I have, read, understood, and agree to the terms and conditions on all pages of this proposal. The undersigned agrees to furnish the commodity or service stipulated on this proposal as stated above.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Phone No.

\_\_\_\_\_  
Title of Person Signing Bid

## PROPOSAL INSTRUCTIONS

1. Submitting Proposals. (a) Proposals must include this form, in its entirety, in a sealed envelope with the wording "Proposal," proposal number and closing date marked on the outside; (b) Proposals/corrections received after the closing time will not be opened. The City is not responsible for proposals not properly marked and delivered. Upon award, all submissions become a matter of public record.
2. Alternatives. Any changes or alternatives must be set forth in a letter attached to this proposal. The City has the option of accepting or rejecting any alternative proposal.
3. Currency. All references to dollar amounts in this solicitation and in vendor's response refer to United States currency.
4. Preparation. All proposals must be typed or written in black ink. Errors may be crossed out and corrected in ink, then initialed in ink by the person signing the proposal.
5. Rejection. The City may reject any or all proposals and waive irregularity in any proposal.
6. Default. In case of default by the vendor of any of the conditions of this proposal or contract resulting from this proposal, the vendor agrees that the City may procure the services from other sources and may deduct from the unpaid balance due the vendor, or collect against the bond or surety, or may invoice the vendor for excess costs so paid, and prices paid by the City will be considered the prevailing market price at the time such purchase is made.
7. Assignment. No assignment by the vendor of contract or any part hereof, or of funds to be received hereunder, is binding upon the City unless the City gave written consent before such assignment.
8. Sub-contractors. The Bidder must list any subcontractors that will be used, the work to be performed by them, and total number of hours or percentage of time they will spend on the project.
9. Indemnification. The extent of a successful contractor's obligation to indemnify and defend the City is set forth in the sample contract attached to this RFP.
10. Bonds. When deemed necessary by the City, bid bonds must be furnished by all proposers in the amount of at least 10% of the bid to guarantee that proposers will enter into contract to furnish goods at prices stated. Likewise, a Performance Bond must be required of the successful proposer when stated in the specification (cash deposit, certified or cashier's check or money order may be substituted in lieu of either bond).
11. Insurance. This is a contract involving services and the City requires insurance. Insurance must be primary insurance and must name the City of Monterey Park as an additional insured. Proof of insurance in the following amounts must be provided prior to contract signing; liability in the amount of \$2,000,000, automotive in the amount of \$1,000,000, worker's compensation in accordance with California law and Pollution Liability or Errors & Omissions of \$1,000,000 each occurrence/\$2,000,000 policy aggregate. Specific insurance requirements are set forth in the

sample contract. **BIDDERS MUST SIGN AND RETURN EXHIBIT "A", INSURANCE REQUIREMENTS, WITH THEIR PROPOSAL.**

12. Proposal Rejection: The City may reject the proposal of any proposer who previously failed to perform properly, or complete on time, contracts of a similar nature, or to reject the proposal of a proposer who is not in a position to perform such a contract satisfactorily. The City may reject the proposal of any proposer who is in default of the payment of taxes, licenses or other monies due to the City of Monterey Park.
13. Contract Pricing: Except as otherwise provided, price proposals must remain consistent through the term of this contract.
14. Proposal Questions: Questions should be forwarded by email to:

Maria Espinosa-Chavez  
[mespinosa-chavez@montereypark.ca.gov](mailto:mespinosa-chavez@montereypark.ca.gov).

The last day for questions will be **by 5:00 pm. on April 3, 2023.** Questions received after this date will not receive a response.

### **CONTRACT SAMPLE**

The successful bidder will be required to enter into the sample contract that is attached as **Exhibit "B"**

### **STATEMENT OF WORK AND FORMAT**

The City of Monterey Park (City) requests proposals for the following purpose according to the terms and conditions attached. In the preparation of this Request for Proposal the words "Bidder," "Contractor," and "Consultant" are used interchangeably.

1. **Purpose:** The City of Monterey Park is requesting proposals to establish a Contract, (Agreement), with a Certified Public Accounting Firm (hereinafter referred to as the Contractor or Vendor, to audit its financial statements for three years beginning **July 1, 2023,** with the option of extending the contract for two (2) additional two-year periods, at the City's sole discretion. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2018), the provisions of the federal Single Audit Amendments Act of 1996 and U.S. Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations*.

The contract may be canceled if the City determines the audit services to be unsatisfactory.

2. **Proposal Schedule:** Following is a tentative schedule of events:

**Pre-Proposal Meeting:** A Pre-Proposal meeting will be held on **March 28, 2023, at 10:00 am,** at the City of Monterey Park, Finance Department. 320 W. Newmark Avenue, Monterey Park, CA. 91754.

**Proposal Requirements:** An original and two copies of the proposal must be received by the City of Monterey Park, at the following address:

City of Monterey Park  
Attn: City Clerk  
Professional Auditing Services, RFP # 835  
320 W. Newmark Avenue  
Monterey Park, CA. 91754

Proposals must be received no later **3:00 pm, on April 10, 2023.**

### **Evaluation of Proposals**

The proposals will be reviewed by City staff during the week of **April 10<sup>th</sup> to April 13, 2023.** Proposals will be evaluated based on the following qualifications criteria:

#### **a. Mandatory Elements:**

- i. Contractor's understanding of scope of work.
- ii. The audit firm is independent, insured and licensed to practice in California.
- iii. The firm has no conflict of interest with regard to any other work to be performed for the City.
- iv. The firm adhered to the instructions in the RFP.
- v. The firm submits a copy of its last external quality control review report and the firm has record of quality audit work.

#### **b. Technical Quality:**

- i. *Expertise and Experience*
  - The firm's substantial past experience in performing the required audits on government agencies comparable to the City.
  - The quality and stability of the firm's professional staff to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation is acceptable to the City.
- ii. *Audit Approach*
  - The firm provided proposed plans for the various segments of the engagement which are acceptable to the City.
  - The firm presented a thorough understanding of the objectives, scope and

issues for this type of engagement.

- Adequacy of proposed staffing plan and sampling techniques.
- Adequacy of analytical procedures.
- The firm is committed to the timeliness in the conduct and completion of the audit.
- References

**Recommendation to City Council for Contract Award:** Interviews of the top firms may be required. The successful contractor will be selected by the City Council based upon the criteria set forth above and the City's sole discretion. The Council is under no obligation to contract with any applicant.

3. **Introduction/Background:** The City of Monterey Park is located at the western gateway to the San Gabriel Valley, in Los Angeles County, just a few miles east of downtown Los Angeles. The City encompasses an area of 7.73 square miles with a population of 61,000.

Monterey Park was incorporated in 1916 as a general law city and operates under the council-manager form of government. The City council, which consists of five members, is elected by district and each serves a term of four years. The City Clerk and the City Treasurer are also elected by the citizens. The City of Monterey Park is a full-service municipal government, offering its residents police protection, fire and emergency medical services, water, sewer and refuse collections, public infrastructure improvements and culture and leisure programming.

The City is organized into thirteen departments and has various funding sources of General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds. In addition, the City elected to become the Successor Agency for the Former Monterey Park Redevelopment Agency and the Annual Financial Reports (Statement of fiduciary Net Position and Statement of Changes in Fiduciary Net Position) are included in the audit requirements.

4. **Objective(s)/Work Products:** Refer to the terms of the Agreement included as **Exhibit "B."**

5. **Work Statement:** Refer to the terms of the Agreement included as **Exhibit "B."**

- **Required Qualifications:** Qualifying respondents must be registered and maintain proper business licenses and in good standing within the State of California. Have experience with preparation of Comprehensive Financial Statements in compliance with the most current GASB standards. In addition, the firm will provide guidance if necessary on any new accounting standards. Have sufficient size and depth of management, resources and staff to provide, support and meet operational requirements and ensure quality service throughout the term of the Agreement. Qualifying respondents must also have measurable and demonstrated successful experience in providing the specified services for like size venue and operations, provide Independent Audit services as the primary function of the business and have been in business for at least five years providing Independent Audit services to similar sized city governments.

- The firm must have extensive experience in audits of local governments as well as experience with the preparation of basic financial statements in compliance with generally accepted auditing standards, minimum audit requirements and reporting guidelines as required by the State Controller's Office, and Governmental Accounting Standards Board (GASB) requirements.
- If your firm participates in a peer review or quality review program provide the year, month and result of the most recent review and submit a copy of the report on the firm's most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements (required by *Government Audit Standards*).
- 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, 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.

6. **Scope of Work:** (Refer to Scope of Work, Exhibit “C.”)

7. **Time Schedule:**

<b>RFP Issue Date</b>	<b>March 13, 2023</b>
<b>Preproposal Meeting Date</b>	<b>March 28, 2023</b>
<b>Cut-off date for questions</b>	<b>April 03, 2023</b>
<b>Proposal Due Date</b>	<b>April 10, 2023</b>
<b>Award of Contract</b>	<b>May 17, 2023</b>

The initial term of this Agreement is **07/01/2023 to 06/30/2026**

8. **Response Submittal Requirements:**

(a) CONTENTS OF PROPOSAL

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format will result in elimination from proposal evaluation.

**FORMAT:**

Each proposal must be submitted in two parts:

Part I must relate to the Technical Proposal and Part II must relate to the Cost Proposal

**PART I - TECHNICAL PROPOSAL**

Cover Letter - Must include the name, address, and telephone number of the company, and be signed by the person or persons authorized to represent the firm.

Table of Contents - Clearly identify material contained in the proposal by section and page number.

Introduction (Section 1) - The proposal should briefly introduce your firm, indicating whether your firm is a local, regional, national, or international. State the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Indicate the name of the person who will be authorized to answer questions and to bind the firm, the person's title, address, email and telephone number.

The introduction section should also include:

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

Independence: The firm should provide affirmative statement that it is independent of the City of Monterey Park as defined by generally accepted auditing standards and the US General Accounting Office's *Government Auditing Standards*.

Project Analysis (Section 2) - Provide an explanation and interpretation of the challenges identified in this RFP.

Objective, Scope, Nature of Proposed Program (Section 3) - Describe the overall approach to the challenges, including the objective and scope of work to be performed by the contractor

Work Program (Section 4) - Describe the work or tasks to be performed.

Methodology (Section 5) - Describe the methodology and techniques to be employed.

Project Management (Section 6) - Describe the proposed management structure, organization of contracting group, and facilities available.

Assigned Personnel (Section 7) - Identify the principals having primary responsibility for implementing the proposal. This will include identifying the senior level staff, including engagement partner and manager/supervisor, who would be assigned to this engagement on an on-going basis. Indicate whether these individuals have CPA licenses to practice in California. Please provide information on the governmental auditing experience of these individuals, including 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 City reserves the right to approve or reject any replacements in the senior level staff participating in the City's audit.

Identify junior-level staff who would be assigned to this engagement. How stable is this team of individuals in relationship to being assigned to this engagement on an annual basis? Please indicate their experience as outlined above for Senior level staff. How will the quality of the junior-level staff be assured over the term of the agreement? The City reserves the right to approve or reject any replacements in the junior level staff participating in the City's audit.

Staff consistency is a very important consideration. Include resumes of those individuals



supervising the audit.

Schedule (Section 8) - List the proposed schedule of activities including labor hours.

Program Monitoring (Section 9) - Describe the quality control procedures to be utilized during the project to ensure conformance with the scope of work.

City Resources (Section 10) - Describe the City services and staff resources needed to supplement contractor activities to achieve identified objective(s).

Subcontractors (Section 11) - If subcontractors are to be used, identify each of them in the proposal. Describe the work to be performed by them and the number of hours or the percentage of time they will devote to the project. Provide a list of their assigned staff, their qualifications, relationship to project management, schedule, costs, and hourly rates.

Contractor Capability and References (Section 12) - Provide a summary of the firm's relevant background experience. Discuss the applicability of such experience to this RFP. Include the name of all cities, counties and special districts for which the firm has audited basic financial statements during the past three (3) years. Indicate the scope of work, date, engagement partner, total hours.

Please include reference contact information for at least three, including the name, telephone number and email address of the principal client contact. The City reserves the right to contact any or all of the listed references.

Alternative Proposals (Section 13) - Provide statements of alternative proposals, if any, labeled "Alternative Proposal Number One, Alternative Proposal Number Two," etc. The format of each alternative proposal submitted may be abbreviated to address just the following:

- a. Work Program
- b. Methodology
- c. Assigned Personnel

Conflict of Interest (Section 14) - Address possible conflicts of interest with other clients affected by actions performed by the firm on behalf of the City. Although the bidder will not be automatically disqualified by reason of work performed for other parties, the City reserves the right to consider the nature and extent of such work in evaluating the proposal.

## **PART II - COST PROPOSAL**

Name and Address

The Cost Proposal must list the name and complete address of the bidder in the upper, left-hand corner.

Cost Proposal

A total, all - inclusive Maximum Price for the **2023–2026** engagement and for each of the following two (2) years. Indicate how additional years fees would be calculated if the contract is extended beyond three (3) years. Please provide a list of fees for additional services that may be requested in relation to this audit.

All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the City. Any and all additional work as agreed in advance by the City shall be compensated for at the same rate quoted in the schedule submitted in the proposal.

The Cost/Price format for the proposal must be as outlined in the Agreement for services. Exhibit "C."

Total cost must be clearly indicated at the end of the Cost Proposal and entered on the first page of the proposal.

Costs must be itemized per the agreement for services.

Charges for supplies, equipment, travel, and subcontractors will be paid at cost. It is expected that general, overhead, and administrative costs are included in the hourly rate for labor. Bids submitted will be held to the total cost given in the response quote. It will be assumed that all contingencies and/or anticipated escalations are included. No additional funds will be paid above and beyond the original quote given by the selected bidder.

#### (b) PROPOSAL SUBMISSION

All proposals must be submitted according to specifications set forth in Section 8 (a) - Contents of Proposal and this section. Failure to adhere to these specifications may be cause for rejection of proposal.

- I. Signature. An authorized representative of the bidder MUST sign all proposals.
- II. Due Date. The proposer must submit one original and two complete copies of the proposal in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the bidder and the words "Request for Proposal # 835." All proposals must be **received no later than 3:00 p.m. on April 10, 2023**, and should be directed to:

City of Monterey Park  
Attn: City Clerk  
Professional Auditing Services, RFP # 835  
320 W. Newmark Avenue  
Monterey Park, CA. 91754

Late bids/proposals will not be accepted. Any correction or resubmission done by the proposer will not extend the submittal due date.

- III. Addenda. City may modify the proposal and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period of March 13, 2023 to April 10, 2023.
- IV. Rejection. A proposal may be deemed nonresponsive and may be immediately rejected if:  
- It is received at any time after the exact date and time set for receipt of proposals and/or;

- It is not prepared in the format prescribed and/or;
- It is signed by an individual not authorized to represent the firm.

- V. Disposition of Proposals. The City reserves the right to reject any or all proposals. All responses become the property of the City. One copy of the proposal must be retained for City files. Additional copies and materials will be returned only if requested and at the bidder's expense.
- VI. Proposal Changes. Once submitted, proposals, including the composition of the contracting team, cannot be altered without the prior written consent of the City. All proposals constitute an offer to the City and may not be withdrawn for a period of sixty (60) days after the last day to accept proposals.

Proposals will be evaluated on the following criteria:

**a. Mandatory Elements:**

- i. Contractor's understanding of scope of work.
- ii. The audit firm is independent, insured and licensed to practice in California.
- iii. The firm has no conflict of interest with regard to any other work to be performed for the City.
- iv. The firm adhered to the instructions in the RFP.
- v. The firm submits a copy of its last external quality control review report and the firm has record of quality audit work.

**b. Technical Quality:**

- i. *Expertise and Experience*
  - The firm's substantial past experience in performing the required audits on government agencies comparable to the City.
  - The quality and stability of the firm's professional staff to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation is acceptable to the City.
- ii. *Audit Approach*
  - The firm provided proposed plans for the various segments of the engagement which are acceptable to the City.
  - The firm presented a thorough understanding of the objectives, scope and issues for this type of engagement.
  - Adequacy of proposed staffing plan and sampling techniques.

- Adequacy of analytical procedures.
- The firm is committed to the timeliness in the conduct and completion of the audit.
- References

During the selection process, the evaluation panel may wish to interview bidders with scores above a natural break, for clarification purposes only. No new material will be permitted at this time.

# Exhibit "A"

## INSURANCE REQUIREMENTS [MUST BE SUBMITTED WITH PROJECT PROPOSAL]

To be awarded this contract, the successful bidder must procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits</u>
Commercial general liability:	\$2,000,000.00
Professional liability	\$1,000,000.00
Business automobile liability	\$1,000,000.00
Workers compensation	Statutory requirement.

**The proposing firm must be willing and able to obtain an errors and omissions insurance policy for coverage of no less than \$1,000,000 per occurrence for the willful or negligent acts of the firm and its officers, employees and agents.**

Commercial general liability insurance must meet or exceed the requirements of the most recent ISO-CGL Form Number. The amount of insurance set forth above must be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies must be endorsed to name the City, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by the City will be excess thereto. Such insurance must be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to the City.

Professional liability coverage must be on an "occurrence basis" if such coverage is available, or on a "claims made" basis if not available. When coverage is provided on a "claims made basis," the Consultant must continue to maintain the insurance in effect for a period of three (3) years after this Agreement expires or is terminated ("extended insurance"). Such extended insurance must have the same coverage and limits as the policy that was in effect during the term of this Agreement, and cover the Consultant for all claims made by the City arising out of any errors or omissions of the Consultant, or its officers, employees or agents during the time this Agreement was in effect.

Automobile coverage must be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

The Consultant must furnish to the City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by the City from time to time. Insurance must be placed with admitted insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII." Certificate(s) must reflect that the insurer will provide thirty (30) day notice of any cancellation of coverage. The Consultant will require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

By signing this form, the bidder certifies that it has read, understands, and will comply with these insurance requirements if it is selected as the City's consultant. Failure to provide this form may render the bidder's proposal "nonresponsive."

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bidder

## EXHIBIT "B"

AGREEMENT NO. [Click here to enter text.](#)  
**PROFESSIONAL SERVICES AGREEMENT**  
**BETWEEN**  
**THE CITY OF MONTEREY PARK AND**  
Consultant name  
**FOR [Click here to enter text.](#)**

**THIS AGREEMENT** is entered into this [Click here to enter text.](#) day of [Click here to enter text.](#) 20[Click here to enter text.](#), by and between the CITY OF MONTEREY PARK, a municipal corporation and general law city ("CITY") and [Consultant name](#), a type of organization, e.g., corporation, and state of incorporation ("CONSULTANT").

### 1. CONSIDERATION.

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed [Click here to enter text.](#) for CONSULTANT's services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit "[Click here to enter text.](#)," which is incorporated by reference.

### 2. SCOPE OF SERVICES.

- A. CONSULTANT will perform services listed in the attached Exhibit "[Click here to enter text.](#)," which is incorporated by reference.
- B. CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

**3. PERFORMANCE STANDARDS.** While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT's services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to cure any shortcomings to CITY's satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.

**4. PAYMENTS.** For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit “Click here to enter text.”) the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.

**5. NON-APPROPRIATION OF FUNDS.** Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

**6. ADDITIONAL WORK.**

- A. CITY’s city manager (“Manager”) may determine, at the Manager’s sole discretion, that CONSULTANT must perform additional work (“Additional Work”) to complete the Scope of Work. If Additional Work is needed, the Manager will give written authorization to CONSULTANT to perform such Additional Work.
- B. If CONSULTANT believes Additional Work is needed to complete the Scope of Work, CONSULTANT will provide the Manager with written notification that contains a specific description of the proposed Additional Work, reasons for such Additional Work, and a detailed proposal regarding cost.
- C. Payments over \$Click here to enter text. for Additional Work must be approved by CITY’s city council. All Additional Work will be subject to all other terms and provisions of this Agreement.

**7. FAMILIARITY WITH WORK.**

- A. By executing this Agreement, CONSULTANT agrees that it has:
  - I. Carefully investigated and considered the scope of services to be performed;
  - II. Carefully considered how the services should be performed; and
  - III. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.
- B. If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT’s own risk until written instructions are received from CITY.

**8. TERM.** The term of this Agreement will be from [Click here to enter a date.](#) to [Click here to enter a date.](#) Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

- A. Completion of the work specified in Exhibit “[Click here to enter text.](#)”;
- B. Termination as stated in Section 16.

**9. TIME FOR PERFORMANCE.**

- A. CONSULTANT will not perform any work under this Agreement until:
  - I. CONSULTANT furnishes proof of insurance as required under Section 23 of this Agreement; and
  - II. CITY gives CONSULTANT a written notice to proceed.
- B. Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT’s own risk.

**10. TIME EXTENSIONS.** Should CONSULTANT be delayed by causes beyond CONSULTANT’s control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight hours (48 hours), in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement’s schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

**11. CONSISTENCY.** In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

List exhibits with scope of work first; budget second; and proposal last (all if applicable)

**12. CHANGES.** CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

**13. TAXPAYER IDENTIFICATION NUMBER.** CONSULTANT will provide CITY with a Taxpayer Identification Number.

**14. PERMITS AND LICENSES.** CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

**15. WAIVER.** CITY’s review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT’s performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.



## 16. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.
- B. CONSULTANT may terminate this Agreement at any time with CITY's mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.
- C. Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT's own cost; CITY will not be obligated to compensate CONSULTANT for such work.
- D. Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).
- E. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.
- F. By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY's termination under this Section.

**17. OWNERSHIP OF DOCUMENTS.** All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY's property. CONSULTANT may retain copies of said documents and materials as desired, but will deliver all original materials to CITY upon CITY's written notice. CITY agrees that use of CONSULTANT's completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY's own risk.

**18. PUBLICATION OF DOCUMENTS.** Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

## 19. INDEMNIFICATION.

- A. CONSULTANT agrees to the following:
  - I. *Indemnification for Professional Services.* CONSULTANT will save harmless and indemnify and at CITY's request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of,

any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT's officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY's sole negligence or willful misconduct.

- II. *Indemnification for other Damages.* CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY's sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY's request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.
- B. For purposes of this section "CITY" includes CITY's officers, officials, employees, agents, representatives, and certified volunteers.
- C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.
- D. The requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT as required by Section 23, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

**20. ASSIGNABILITY.** This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

**21. INDEPENDENT CONTRACTOR.** CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

**22. AUDIT OF RECORDS.** CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least three (3) years after termination or final payment under this Agreement.

**23. INSURANCE.**

- A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits</u>
Commercial general liability:	\$2,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement

- B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.
- C. Professional liability coverage will be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis,” CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).
- E. CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.”
- F. Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT’s expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 16.

G. Self-Insured Retention/Deductibles. All policies required by this Agreement must allow CITY, as additional insured, to satisfy the self-insured retention ("SIR") and deductible of the policy in lieu of CONSULTANT (as the named insured) should CONSULTANT fail to pay the SIR or deductible requirements. The amount of the SIR or deductible is subject to the approval of the Assistant City Attorney and the Finance Director. CONSULTANT understands and agrees that satisfaction of this requirement is an express condition precedent to the effectiveness of this Agreement. Failure by CONSULTANT as primary insured to pay its SIR or deductible constitutes a material breach of this Agreement. Should CITY pay the SIR or deductible on CITY's behalf upon the CONSULTANT'S failure or refusal to do so in order to secure defense and indemnification as an additional insured under the policy, CITY may include such amounts as damages in any action against CONSULTANT for breach of this Agreement in addition to any other damages incurred by CITY due to the breach.

**24. USE OF SUBCONTRACTORS.** CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

**25. INCIDENTAL TASKS.** CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

**26. NOTICES.** All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

If to CONSULTANT:

Attention: Click here to enter text.  
Click here to enter text.  
Click here to enter text.  
Click here to enter text.  
phone  
email

If to CITY:

Attention: Click here to enter text.  
City of Monterey Park  
Click here to enter text.  
Click here to enter text.  
phone  
email

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

**27. CONFLICT OF INTEREST.** CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY's conflict of interest regulations.

**28. SOLICITATION.** CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT's bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT's bona fide employee, any fee, commission, percentage, brokerage fee, gift or

other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

**29. THIRD PARTY BENEFICIARIES.** This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.

**30. INTERPRETATION.** This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

**31. COMPLIANCE WITH LAW.** CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

**32. ENTIRE AGREEMENT.** This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. There are [Click here to enter text](#). Attachments to this Agreement. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

**33. RULES OF CONSTRUCTION.** Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

**34. SEVERABILITY.** If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

**35. AUTHORITY/MODIFICATION.** The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment. CITY's Manager, or designee, may execute any such amendment on behalf of CITY.

**36. ELECTRONIC SIGNATURES.** This Agreement may be executed by the Parties on any number of separate counterparts, and all such counterparts so executed constitute one Agreement binding on all the Parties notwithstanding that all the Parties are not signatories to the same counterpart. In accordance with Government Code §16.5, the Parties agree that this Agreement, Agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by electronic transmission. Such electronic signature will be treated in all respects as having the same effect as an original signature.

**37. CAPTIONS.** The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

**38. TIME IS OF ESSENCE.** Time is of the essence for each and every provision of this Agreement.

**39. FORCE MAJEURE.** Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable control, then the Agreement will immediately terminate without obligation of either party to the other.

**40. STATEMENT OF EXPERIENCE.** By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

SAMPLE

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first hereinabove written.

**CITY OF MONTEREY PARK**

**Consultant name**

\_\_\_\_\_  
**Ron Bow, City Manager**

\_\_\_\_\_  
**Click here to enter text.**

**ATTEST:**

\_\_\_\_\_  
**Vincent D. Chang, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**Taxpayer ID No.** enter no.

Doc enter no.

## **EXHIBIT “C”**

### **Professional Auditing Services RFP**

Auditing Standards to be Followed:

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
  2. The standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (2018);
  3. The provisions of the Single Audit Act as amended; The provisions of U.S. Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations*;
  4. Guidance for federal awards and agreements as provided in the Code of Federal Regulation (CFR) 2 Part 200, Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards; and
- **Financial Audit** – Examine the basic financial statements, notes to the financial statements, and required supplemental information, if applicable.
  - **Single Audit** – Examine the Schedule of Expenditures of Federal Awards related to the City's federal grant programs.
  - **Measure W Audit** – Examine schedule of expenditures and required supplemental information related to the City's Safe, Clean, Water Program for preceding three (3) period.
5. Audit the City's basic financial statement in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, OMB Circular A-133, and Governmental Accounting Standard Board (GASB) Statements and requirements.

Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the City and the changes in financial position



**EXHIBIT “C”**  
**Professional Auditing Services RFP**

6. in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
7. Evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements.
8. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and the Supplementary Information.
9. Perform agreed upon procedures on the appropriation limit under Article XIII B of the California Constitution, and issue related report.
10. Assist the City in preparing and filing the Annual State Controller's Report no later than the date prescribed by law.
11. Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which they become aware, to the City Council and the City Manager.
12. Provide general consultation as required, during the year, on financial accounting and reporting matters, specifically any new Governmental Accounting Standards Board (GASB) Statement implementation.
13. Submit a draft of the financial statements to management **no later than 11/30/2023**.
14. Additional Assignments – if it should become necessary for the City to request the auditor to render additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, then such additional work shall be performed only if set forth in a written addendum to the contract between the City and the auditors. Any such additional work agreed to between the City and the auditors shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding proposal.

Retain at auditors' expense audit working papers for five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of the City and successor auditors and allow the

## **EXHIBIT “C”**

### **Professional Auditing Services RFP**

15. City and successor auditors to review working papers relating to matters of continuing accounting significance.

#### **Project schedule for Fiscal Year 2022 -2023 audit. Year ending June 30<sup>th</sup>.**

1. The auditors shall provide the City with an audit plan, including a list of schedules and other work requested no later than **May 18,2023**.
2. Depending on the type and extent of interim audit procedures before the City expects to have all records, prepared by client lists, and schedules readyfor the audit field work by **September,2023** and would expect fieldwork to commence no later than **September ,2023**.
3. The auditors shall complete field work and draftfinancial statements by **November 27,2023**.
4. A draft of the management letter shall also be provided by **November 27,2023**. City staff shall have the opportunity to discuss and comment upon any findings and recommendations prior to issuance.
5. Final copies of the audited financial statements shall be issued no later than **December 6, 2023**. The final version of the management letter shall be issued by **December 6, 2023**. Fifteen (15) comb bound hard copies will be provided by auditors along with a copy of the Final Financial Statements in PDF format.
6. Additionally, the auditors will prepare and submit the City's Annual Report of Financial Transactions to the State Controller's Office by the required deadlines.
7. The auditors shall complete the Single Audit Report and the Successor Agency's Financial Statements by the required deadlines.

#### **VI. ASSISTANCE PROVIDED TO THE AUDITORS**

Financial Services staff will be available during interim and audit field work to assist the firm by providing access and direction to information, documentation, and be available for explanations of all inquiries. Staff will provide clerical assistance for preparation of confirmations and other routine correspondence. The City staff will be responsible for the preparation of the Transmittal Letter, Management Discussion and Analysis (MD&A), and the Statistical Section.

The City will provide the auditors with reasonable workspace, phone, wireless internet and copy machine access.