

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

BAKER TILLY VIRCHOW KRAUSE, LLP

(Riverside Public Utilities Financial and Performance Audit)

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20____ ("Effective Date"), by and between the CITY OF RIVERSIDE ("City"), a California charter city and municipal corporation, and BAKER TILLY VIRCHOW KRAUSE, LLP, an Illinois limited liability partnership authorized to do business in California ("Consultant").

1. Scope of Services. City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit "A," "Scope of Services" ("Services"), attached hereto and incorporated herein by reference, in conjunction with Riverside Public Utilities Financial and Performance Audit ("Project").

2. Term. This Agreement shall be effective on the date first written above and shall remain in effect until June 21, 2016, unless otherwise terminated pursuant to the provisions herein.

3. Compensation/Payment. Consultant shall perform the Services under this Agreement for the total sum not to exceed One Hundred Thirty-Five Thousand Dollars (\$135,000) payable in accordance with the terms set forth in Exhibit "B." Said payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. Notices. Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

City Manager's Office
City of Riverside
Attn: Carlie Myers
3900 Main Street, 7th Floor
Riverside, CA 92522

To Consultant

Baker Tilly Virchow Krause, LLP
Attn: Russell A. Hissom
Ten Terra Court, PO Box 7398
Madison, WI 53707-7398

5. Prevailing Wage. If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at:

www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. Indemnification.

11.1 Design Professional Defined. For purposes of this Agreement, "Design Professional" includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 Defense Obligation for Design Professional Liability. Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.3 Indemnity for Design Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City's employees, officers, managers, agents, and Council Members ("Indemnified Parties") from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or

relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation for Other than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant.

This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity for Other than Design Professional Liability. Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions. Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 Ratings. Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 Cancellation. The policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

12.1.4 Adequacy. The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

12.2 Workers' Compensation Insurance. By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days prior written notice before modification or cancellation thereof.

12.3 Commercial General Liability and Automobile Insurance. Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

12.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.**
- b. If the policy is written on a claims-made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.**
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.**

12.4 Errors and Omissions Insurance. Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

12.5 Subcontractors' Insurance. Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation,

Commercial General Liability, Errors and Omissions, and Automobile liability. Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

14. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to

provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

20. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit "C," represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

22. **General Compliance with Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

24. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount

of Consultant's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City's rights under Sections 15 and 25 hereof. In ascertaining the work actually rendered through the termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **Venue and Attorneys' Fees.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs thereof, including reasonable attorneys' fees. However, the recovery of attorneys' fees by the prevailing party is limited to individual actions or proceedings in which the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fee. In no action shall an award of attorneys' fees to the prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired

Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

31. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

32. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

33.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

33.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

33.3 In the event of a conflict between the body of this Agreement and Exhibit "A" attached hereto, the terms contained in Exhibit "A" shall be controlling.

34. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services
Exhibit "B" - Compensation
Exhibit "C" - Key Personnel

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

BAKER TILLY VIRCHOW KRAUSE, LLP,
an Illinois limited liability partnership
authorized to do business in California

By: _____
City Manager

By: Russell A Hissom

Attest: _____
City Clerk

Russell A Hissom

Printed Name

Partner, CPA

Title

Approved as to Form:

By: Jodi L. Dobson

By: [Signature]
Deputy City Attorney

Jodi L Dobson

Printed Name

Partner, CPA

Title

EXHIBIT "A"
SCOPE OF SERVICES

Riverside Public Utilities (RPU)
Financial and Performance Audit
Scope of Work

The RPU financial audit will include the following:

1. A review of three prior fiscal years of financial transactions (i.e. FY2013, FY2014 and FY2015).
2. Testing of a selected statistically significant sample of potentially high-risk financial transactions for accuracy in processing and in payment, consistency with policies, compliance with procurement practices, adequate documentation / support, and appropriate business purposes.

The RPU performance audit includes the following:

1. Systematic, in-depth audits of the performance of the department, its programs, activities and functions, including but not limited to:
 - a. Account Receivables.
 - b. Contracting and Procurement Policies and Practices.
 - c. Reserve Setting.
 - d. Debt Capacity.
 - e. Asset Management Practices.
 - f. Management Reporting Systems.
 - g. Property Leases Monitoring and Control.
 - h. Economic Development and Contract Rate Programs.
 - i. Scrap/Salvage Inventory and Control.
 - j. UOC Tool Room (Meter) Inventory.
 - k. Alignment with Riverside 2.0 Strategic Plan
 - l. Alignment with Utilities 2.0 Strategic Plan
2. The above will include evaluation of appropriate decision-making authority, effectiveness in achieving desired results, efficiency and economy in the use of resources, conformity with best practices, and compliance with relevant policies, laws and regulations.
3. Review of best practices in the industry for comparably sized/complex organizations

Audits are to be conducted in conformance with the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, most recent revision, published by the U.S. General Accounting Office (Yellow Book), and as specified by generally accepted governmental auditing standards.

Firm to work closely with the Audit Program project managers: Lee C. McDougal, Contract Project Manager, Marianna Marysheva-Martinez, Assistant City Manager, and Public Utilities' Department personnel assigned to assist with the audits.

Timeline

1. Commencement of the audits will begin January 2016. Draft audits must be complete for internal City staff review by April 15, 2016.
2. City staff will have two weeks to review and provide comments back to consultant on the draft audits.
3. Consultants shall review and where appropriate incorporate comments and submit to City staff the final draft of the audit by May 20, 2016.
4. Staff anticipates presenting the final audits to the Board of Public Utilities on June 17 and the City Council on June 21, 2016. Consultant attendance at both of these meetings is required.

Work Plan

The project Work Plan is detailed in Attachment A.

Deliverables

The project deliverables for the Financial Audit for RPU are as follows:

Any exceptions and recommendations for improvements will be noted in the deliverable report which will comment on the following:

1. Summary of transactions tested by area
2. Exceptions found
3. Statistical extrapolation of the review to the population
4. Comments on internal controls
5. Recommendations for any control improvements

The project deliverables for the Performance Audit for RPU are as follows:

1. Communication plan
2. Process maps documentation of controls reviewed
3. Report on any determinations of weaknesses in processes and controls
4. Report on recommendations for improvement in processes for greater efficiencies
5. Detailed report on information reviewed, individuals interviewed, comparable industry best practices for consideration by RPU
6. Presentation to management and governance bodies

The details are listed under each area in Attachment A.

Attachment A - Baker Tilly

Financial Audit

Our approach to the audits

Our techniques will include:

- > Identifying key risk areas, allowing us to properly concentrate our efforts and select appropriate samples
- > Designing statistical tests of attributes
- > Designing the tests to provide an opinion as to whether RPU is in compliance with its various procurement practices, that amounts paid are properly documented and supported, paid correctly and have an appropriate business purpose
- > Providing insightful recommendations to improve business processes and controls

Our work plan and approach will be based on *Generally Accepted Auditing Standards* of the American Institute of Certified Public Accountants (AICPA) and the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. We anticipate that these audits will include an examination opinion of management's assertions that the transactions meet all of the requirements of #2 above.

Sample sizes

We will review 200 transactions from each department for each of the years under review. The results of our sampling will be extrapolated to the financial transaction population, allowing us to opine on controls and the assertions above.

Deriving value from the financial audits

Our approach will include a review of the internal controls in each area in order to identify key risk points that will guide our sample selection process. We will perform documentation and walk-throughs of key controls to ensure they are working as designed, and make recommendations for any improvements we feel will strengthen the controls and provide greater operational efficiencies.

Specifically, we will test for the following attributes:

1. Key controls are in place
2. Controls are operating as designed and are effective
3. The City and Utilities are in compliance with its various procurement practices
4. Amounts paid are adequately documented and supported and are paid correctly
5. Transactions have an appropriate business purpose.

Any exceptions and recommendations for improvements will be noted in our deliverable report which will comment on the following:

1. Summary of transactions tested by area
2. Exceptions found
3. Statistical extrapolation of the review to the population
4. Comments on internal controls
5. Recommendations for any control improvements

Performance Audit

The Baker Tilly work plan is as follows:

1. Specific project plan approaches

The specific project plan approaches are detailed in this section of our proposal.

A. Contract and procurement policies implementation

Project areas of review: Contract management combines the functions of procurement and contract monitoring. Determine whether general contract management (contract procurement process, the award process, and contract monitoring) adhere to City policy/procedures.

A. Contract and Procurement Policies			
Task	Major activity	Detailed work plan steps	Deliverables
A.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> 1. Contact RPU's Project Manager for further information regarding RPU's contract management and procurement policies. 2. Obtain contact information and organizational charts for RPU's procurement department. 3. Develop interview guide for key individuals involved in procurement 4. Schedule interviews/meetings with appropriate RPU personnel 5. Submit data requests to include information around the following: <ol style="list-style-type: none"> a) Policies and procedures for purchasing b) Organizational charts with job descriptions c) Flowchart and narrative description of the purchasing process from initiation of a requisition to a payment of an invoice d) Narrative description of vendor selection process e) Narrative description of contract management process f) Competitive bidding policy g) Sample of competitive bid documents 	✓ Interview guide
A.2	Conduct Interviews/Walkthroughs of contract and procurement policies and procedures	<ol style="list-style-type: none"> 1. Conduct interviews/meetings with personnel involved in contract and procurement services to gain an understanding of current processes in place around the following: <ol style="list-style-type: none"> a) General management functions within the purchasing area b) Purchase order process including internal controls c) Vendor approval process 	✓ Summary of interviews and interview notes ✓ Process maps of current processes

A. Contract and Procurement Policies			
Task	Major activity	Detailed work plan steps	Deliverables
		d) Competitive bidding process e) Contract management 2. Perform detailed process walkthroughs of the key business processes identified above 3. Review current policy and procedure documentation in the areas listed above	
A.3	GAP Analysis	1. Document current state practices based on task A.2 and identify areas that are not in compliance with the City's policies and procedures. 2. Identify key controls in place or areas where controls could be improved	✓ Identification of risks/control deficiencies with any current processes ✓ GAP Analysis ✓ Recommendations for Process improvements
A.4	Reporting	1. Provide written report summary documenting: a) Summaries of interviews/meetings b) Identification of areas where business practices, functions and procedures are not in compliance with the City's policies and procedures c) A GAP analysis identifying areas where RPU is not but could be employing "best practices" in the industry	✓ Report that includes summary of interviews, current business processes compared to City's policies and procedures, and recommended process improvements

B. Asset management practices

Project areas of review: Evaluate the effectiveness of RPU's asset management practices, including whether the department effectively implements best practices in infrastructure asset management and whether the practices allow efficient identification of the location and the condition of its physical assets in order to minimize risk of failures/breaks and maximize life of assets.

B. Asset Management Practices			
Task	Major activity	Detailed work plan steps	Deliverables
B.1	Project Planning and Interview Preparation	1. Contact RPU's Project Manager for further information regarding RPU's asset management practices 2. Obtain contact information and organizational charts for RPU's fixed asset department. 3. Develop interview guide for key individuals involved in asset management 4. Review interview questions with RPU's project manager for approval and to determine additional questions that may need to be added 5. Schedule interviews/meetings with	✓ Interview guide

B. Asset Management Practices			
Task	Major activity	Detailed work plan steps	Deliverables
		appropriate RPU personnel 6. Submit data requests to include information around the following: a) Policies and procedures regarding asset management b) Organizational charts with job descriptions c) Flowchart and narrative description of the asset management process d) Continuing Property Records (CPRs) e) List of systems used in asset management (fixed asset accounting, GIS)	
B.2	Conduct Interviews/ Walkthroughs with asset management personnel	1. Conduct interviews/meetings with personnel involved in asset management to gain an understanding of current processes in place around the following: a) Recording of fixed assets b) CPR maintenance c) GIS process 2. Perform detailed process walkthroughs of the key business processes identified above 3. Review current policy and procedure documentation in the areas listed above 4. Discuss any applications of the principles of <i>ISO 55000:2014</i> in application for life cycle asset management practices	✓ Summary of interviews and interview notes ✓ Process maps of current processes
B.3	GAP Analysis	1. Document current state practices based on task B.2 2. Identify key controls in place or areas where controls could be improved 3. Develop a GAP analysis showing current practices compared to best practices	✓ Identification of risks/ control deficiencies with any current processes ✓ GAP Analysis ✓ Recommend Process Improvements
B.4	Reporting	1. Provide written report summary documenting: a) Summaries of interviews/meetings b) Identification of areas where business practices, functions and procedures could be improved c) A GAP analysis identifying areas where RPU Public Utilities is not but could be employing "best practices" in the industry	✓ Report that includes summary of interviews, current business processes and recommended process improvements

C. Management reporting systems

Project areas of review: Value the current state of management reports; frequency; content; effectiveness; systems; utilization of technology; dashboards; and project management updates at various levels of supervisory management.

C. Management Reporting Systems			
Task	Major activity	Detailed work plan steps	Deliverables

C. Management Reporting Systems			
Task	Major activity	Detailed work plan steps	Deliverables
C.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> 1. Contact RPU Project Manager for further information regarding the different departments at RPU 2. Obtain contact information and organizational charts the different departments at RPU including the managers of each department 3. Develop interview guide for the managers of the different departments 4. Schedule interviews/meetings with appropriate RPU management 5. Submit data requests to include information around the following: <ol style="list-style-type: none"> a) Types of management reports currently being used at RPU b) The frequency the management reports are prepared c) The information included in the management reports d) The systems involved in creating the management reports e) Dashboards that are currently used by RPU management f) Organizational charts with job descriptions 	✓ Interview guide
C.2	Conduct Interviews/Walkthroughs with asset management personnel	<ol style="list-style-type: none"> 1. Conduct interviews/meetings with managers and those involved in creating management reports to determine the following: <ol style="list-style-type: none"> a) How management reports are created b) The frequency of reports, information included, and systems used to develop the reports c) Manual process included in creating the reports d) Review process for management reports e) Dashboards utilized by RPU management f) Any management requirements not currently being met 2. Perform detailed process walkthroughs of the key business processes identified above 3. Review current policy and procedure documentation in the areas listed above 	✓ Summary of interviews and interview notes ✓ Process maps of current processes
C.3	GAP Analysis	<ol style="list-style-type: none"> 1. Document current state practices based on task C.2 2. Identify key controls in place or areas where controls could be improved 3. Develop a GAP analysis showing current practices compared to best practices in reporting 4. Provide examples of management reports that could enhance reporting at RPU 	✓ Identification of risks/ control deficiencies with any current processes ✓ GAP Analysis ✓ Recommend Process

C. Management Reporting Systems			
Task	Major activity	Detailed work plan steps	Deliverables
		5. Provide a discussion and narrative on the current use of technology in the utility industry for best practices 6. Provide examples of dashboard reporting current done in the industry that could improve reporting practices at RPU	Improvements ✓ Report on the state of the utility industry regarding technology usage, trends and solutions ✓ Example reports and dashboards
C.4	Reporting	2. Provide written report summary documenting: a) Summaries of interviews/meetings b) Identification of areas where business practices, functions and procedures could be improved c) A GAP analysis identifying areas where RPU Public Utilities is not but could be employing "best practices" in the industry	✓ Report that includes summary of interviews, current business processes and recommended process improvements

D. Property leases monitoring and control

Project areas of review: Evaluate the effectiveness of RPU's management over property leases both from a lessor and lessee perspective. Determine if proper revenue/expense is being collected/paid based on lease contracts in place. Determine if proper tracking mechanisms are in place to monitor and control revenue and expenses.

D. Property Leases Monitoring and Control			
Task	Major activity	Detailed work plan steps	Deliverables
D.1	Project Planning and Interview Preparation	1. Contact RPU's Project Manager for further information regarding the different types of property leases RPU has and who is responsible for monitoring them 2. Obtain contact information for individuals involved in property lease monitoring and control 3. Develop interview guide for key individuals involved in the property lease monitoring and control function 4. Schedule interviews/meetings with appropriate RPU personnel 5. Submit data requests to include information around the following: a) Policies and procedures in place for entering into leases b) A listing of current property leases that RPU has (a sample of property leases will be selected for detailed testing of revenues and expenses) c) Tracking mechanisms used to monitor and control revenues and expenses for	✓ Interview guide

D. Property Leases Monitoring and Control

Task	Major activity	Detailed work plan steps	Deliverables
		property leases d) Approval process for property leases	
D.2	Conduct Interviews/Walkthroughs with appropriate personnel	<ol style="list-style-type: none"> Conduct interviews/meetings with key individuals involved in property lease monitoring and control to determine the following: <ol style="list-style-type: none"> What is the process for entering into a lease? What is the approval process for lease agreements? What accounts are used to record lease revenue and expenses? What tracking mechanisms are used for monitoring and control? Perform detailed process walkthroughs of the key business processes identified above Review current policy and procedure documentation in the areas listed above 	<ul style="list-style-type: none"> ✓ Summary of interviews and interview notes ✓ Process maps of current processes
D.3	Detailed Testing	<ol style="list-style-type: none"> Document current state practices based on task D.2 Identify key controls in place or areas where controls could be improved Develop a GAP analysis showing current practices compared to best practices Review appropriate general ledger accounts to ensure that proper expenses and revenues have been recorded for property leases. Confirm that all leases entered into were properly approved. 	<ul style="list-style-type: none"> ✓ Identification of risks/ control deficiencies with any current processes ✓ GAP Analysis ✓ Recommend Process Improvements ✓ Results of detailed testing
D.4	Reporting	<ol style="list-style-type: none"> Provide written report summary documenting: <ol style="list-style-type: none"> Summaries of interviews/meetings Identification of areas where business practices, functions and procedures could be improved A GAP analysis identifying areas where RPU is not but could be employing "best practices" in the industry Results of detailed testing of revenues and expenses for property leases 	<ul style="list-style-type: none"> ✓ Report that includes summary of interviews, current business processes and recommended process improvements

E. Economic development and contract rate programs

Project areas of review: Evaluate RPU's current economic development and contract rate programs to determine consistency amongst criteria, cost of service and application of rates. Review rebates and any other incentives provided. Review reporting mechanisms. Identify if the processes utilized to evaluate and develop such rates are effective and suggest improvements, as needed.

E. Economic Development and Contract Rate Programs			
Task	Major activity	Detailed work plan steps	Deliverables
E.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> 1. Contact RPU's Project Manager for further information regarding the different types of economic development and contract rate programs at RPU 2. Obtain contact information for individuals involved in the economic development and contract rate programs 3. Develop interview guide for key individuals involved in the economic development and contract rate programs 4. Schedule interviews/meetings with appropriate RPU personnel 5. Submit data requests to include information around the following: <ol style="list-style-type: none"> a) Any policy or process documentation around the economic development and contract rate program b) The different types of economic development and contract rate programs c) Detailed information regarding all of the programs including the following: <ol style="list-style-type: none"> i. Criteria ii. Cost of service iii. Application of rates d) Rebates and any other incentives provided e) Reporting mechanisms in place around the economic development and contract rate programs 	✓ Interview guide
E.2	Conduct Interviews/Walkthroughs with appropriate personnel	<ol style="list-style-type: none"> 1. Conduct interviews/meetings with key individuals involved in the economic development and contract rate programs to determine the following: <ol style="list-style-type: none"> a) The different types of programs RPU offers b) The criteria, cost of service, and application of rates for the different programs c) Rebates and other incentives provided by RPU d) Reporting mechanisms in place around the different programs e) Program goals and historical attainment of program goals 	✓ Summary of interviews and interview notes

E. Economic Development and Contract Rate Programs			
Task	Major activity	Detailed work plan steps	Deliverables
		f) Long-term strategy for economic development programs g) Costs incurred in providing economic development programs to customers h) Success in attracting and retaining customers	
E. 3	Detailed Testing	1. Document current state practices based on task E.2 2. Identify key controls in place or areas where controls could be improved 3. Identify areas of inconsistency between the programs around the criteria, cost of service, and application of rates 4. Determine if the processes utilized to evaluate and develop the rates are effective 5. Identify and document areas for improvements	✓ Identification of risks/ control deficiencies with any current processes ✓ Detailed list of inconsistencies between the programs ✓ Recommend Process Improvements ✓ A determination as to whether the processes used to evaluate and develop the rates are effective
E.4	Reporting	1. Provide written report summary documenting: a) Summaries of interviews/meetings b) Identification of areas where there are inconsistencies between the programs c) A GAP analysis identifying areas where RPU is not but could be employing "best practices" in the industry	✓ Report that includes summary of interviews, current business processes and recommended process improvements

F. Scrap/salvage inventory and control

Project areas of review: Determine that RPU is following City policy as it relates to scrap/salvage of unusable parts, equipment and inventory.

F. Scrap/Salvage Inventory and Control			
Task	Major activity	Detailed work plan steps	Deliverables
F.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> 1. Obtain contact information for individuals involved in the scrapping/ salvage of inventory and control 2. Develop interview guide for key individuals involved in the inventory process 3. Schedule interviews/meetings with appropriate RPU personnel 4. Submit data requests to include information around the following: <ol style="list-style-type: none"> a) Any policy or process documentation around the following: <ol style="list-style-type: none"> i. Inventory management ii. Obsolete inventory iii. Scrapping of inventory iv. Recording salvage value 	<ul style="list-style-type: none"> ✓ Interview guide
F.2	Conduct Interviews/Walkthroughs with appropriate personnel	<ol style="list-style-type: none"> 1. Conduct interviews/meetings with key individuals involved in the inventory process 2. Perform detailed process walkthroughs of the key business processes identified above 3. Review current policy and procedure documentation in the areas listed above 	<ul style="list-style-type: none"> ✓ Summary of interviews and interview notes ✓ Business process maps of current processes
F.3	Detailed Testing	<ol style="list-style-type: none"> 1. Document current state practices based on task F.2 2. Identify areas of inconsistency between the processes performed by RPU compared to the City's policy 3. Identify and document areas for improvements 	<ul style="list-style-type: none"> ✓ Identification of risks/ control deficiencies with any current processes ✓ Detailed list of inconsistencies between the City's policy and actual processes ✓ Recommend Process Improvements
F.4	Reporting	<ol style="list-style-type: none"> 1. Provide written report summary documenting: <ol style="list-style-type: none"> a) Summaries of interviews/meetings b) Identification of areas where there are inconsistencies between the City's policy and the actual processes being followed 	<ul style="list-style-type: none"> ✓ Report that includes summary of interviews, current business processes and recommended process improvements

G. UOC tool room (meter) inventory

Project areas of review: Review full process for new meter purchase from vendor procurement to installation. Include receipting of inventory, maintaining proper inventory levels, and safeguarding of assets. Perform book to physical inventory.

G. UOC Tool Room (Meter) Inventory			
Task	Major activity	Detailed work plan steps	Deliverables
G.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> Obtain contact information for individuals involved in the UOC Tool Room (Meter) Inventory Develop interview guide for key individuals involved in the tool/meter inventory process Schedule interviews/meetings with appropriate RPU personnel Submit data requests to include information around the following: <ol style="list-style-type: none"> Any policy or process documentation around the following: <ol style="list-style-type: none"> Procurement of inventory from vendors Receipting of inventory Maintaining proper inventory levels Safeguarding of assets Process of installing meters 	<ul style="list-style-type: none"> ✓ Interview guide
G.2	Conduct Interviews/Walkthroughs with appropriate personnel	<ol style="list-style-type: none"> Conduct interviews/meetings with key individuals involved in the tool/meter inventory process Perform detailed process walkthroughs of the key business processes identified above Review current policy and procedure documentation in the areas listed above 	<ul style="list-style-type: none"> ✓ Summary of interviews and interview notes ✓ Business process maps of current processes
G.3	Detailed Testing	<ol style="list-style-type: none"> Document current state practices based on task G.2 Identify and document areas for improvements and any control deficiencies Perform reconciliation of book values to physical inventory count 	<ul style="list-style-type: none"> ✓ Identification of risks/ control deficiencies with any current processes ✓ Recommend Process Improvements ✓ Results of book to physical inventory count
G.4	Reporting	<ol style="list-style-type: none"> Provide written report summary documenting: <ol style="list-style-type: none"> Summaries of interviews/meetings Process improvement recommendations Results of book to physical inventory count 	<ul style="list-style-type: none"> ✓ Report that includes summary of interviews, current business processes,

G. UOC Tool Room (Meter) Inventory			
Task	Major activity	Detailed work plan steps	Deliverables
			recommended process improvements, and results of book to physical inventory count

H. Miscellaneous account receivable

Project areas of review: Obtain an understanding of recording, aging and collection of miscellaneous accounts receivable.

H. Miscellaneous Accounts Receivable			
Task	Major activity	Detailed work plan steps	Deliverables
H.1	Project Planning and Interview Preparation	<ol style="list-style-type: none"> Obtain contact information for individuals involved in the miscellaneous accounts receivable process Develop interview guide for key individuals involved in the process Schedule interviews/meetings with appropriate RPU personnel Submit data requests to include information around the following: <ol style="list-style-type: none"> Any policy or process documentation including: <ol style="list-style-type: none"> The recording of miscellaneous accounts receivable The aging of miscellaneous accounts receivable The collection of miscellaneous accounts receivable 	<ul style="list-style-type: none"> Interview guide
H.2	Conduct Interviews/Walkthroughs with appropriate personnel	<ol style="list-style-type: none"> Conduct interviews/meetings with key individuals involved in the miscellaneous accounts receivable process Interview key individuals involved with collection of delinquent receivables to document current processes Perform detailed process walkthroughs of the key business processes identified above Review current policy and procedure documentation in the areas listed above 	<ul style="list-style-type: none"> ✓ Summary of interviews and interview notes ✓ Business process maps of current processes
H.3	Detailed Testing	<ol style="list-style-type: none"> Document current state practices based on task I.2 Identify and document areas for improvements and any control deficiencies Perform a trend analysis on the aging of miscellaneous accounts receivable to determine the direction of the receivable aging 	<ul style="list-style-type: none"> ✓ Identification of risks/control deficiencies with any current processes ✓ Recommend Process Improvements ✓ Results of

H. Miscellaneous Accounts Receivable			
Task	Major activity	Detailed work plan steps	Deliverables
			trend analysis
H.4	Reporting	1. Provide written report summary documenting: <ul style="list-style-type: none"> a) Summaries of interviews/meetings b) Process improvement recommendations c) Results of trend analysis 	✓ Report that includes summary of interviews, current business processes, recommended process improvements, and results of trend analysis

I, J, K, L: Reserve Setting, Debt Capacity, Alignment with Riverside 2.0 Strategic Plan, Alignment with Utilities 2.0 Strategic Plan

Project areas of review: Perform a high level review of these areas. Provide high level recommendations comparing current practices and industry practices.

This work will involve interviews of management for their views, use of a recent report written to RPU on reserve policies and a high level cross-reference and analysis of the alignment with the Riverside 2.0 Strategic Plan and the RPU portion of that plan.

The deliverables for this step include the following:

1. Reserve policies written for RPU in our recently completed project on reserve policies
2. High level discussion on capitalization and debt capacity
3. High level reporting on alignment with the Riverside 2.0 Strategic Plan

Consultant Qualifications

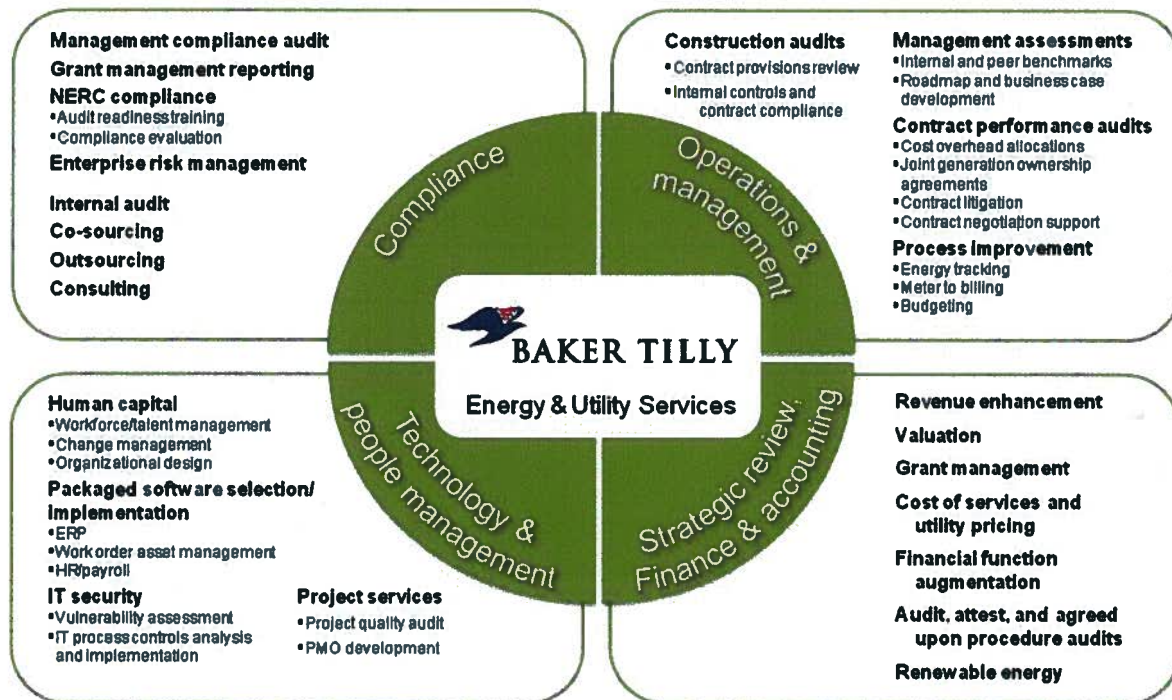
Baker Tilly's firm qualifications:

Our industry specialization approach

You will be served by Baker Tilly's Public Sector and Energy and Utilities teams which consist of 80 professionals dedicated entirely to serving only users and providers of public sector and energy and utility services. Our Energy and Utilities team currently provides assurance and risk advisory services to nearly 400 utilities. With more than forty years of experience serving utilities, our specialization allows us to more deeply understand the unique issues faced by the energy and utility industry. Our industry-specific approach will ensure a team of dedicated energy industry professionals will provide services that meet the needs of and provide value to each project.

Energy and utilities expertise and services

The graphic below provides an overview of the services provided by our Energy and Utilities team:



Our clients have found this blend of services and background to provide value to them in operating their businesses.

Our staff members are skilled in providing assurance, compliance and enterprise risk advisory services—all critical components of this project.

Nationally recognized leadership benefits our clients

Baker Tilly is actively involved in local and national utility associations, keeping us on the leading edge of industry issues. Our memberships in utility organizations and our involvement as authors, speakers, teachers, and promoters of the utility industry means that your project team has the current knowledge needed to assist our clients in meeting the challenges they face in providing utility services and in ensuring that utilities follow regulatory directives in providing those services. These industry organizations include:

- > American Public Power Association (APPA)
- > Edison Electric Institute (EEI)
- > American Wind Energy Association (AWEA)
- > National Association of Manufacturers (NAM) – Joint energy committee
- > Nuclear Non-operating Owner's Group (NNOG)
- > Many state industry associations

Recent articles, seminars and webinars for national utility organizations include:

- Using performance audits to improve efficiencies and operations
- Succession planning for utility workforces
- GASB 68 implementation
- Obtaining value from your audit
- Advanced financial analysis of financial statements
- Work order asset management system accounting
- Cost allocation methodologies
- Information technology governance
- Supply chain management and measurement techniques
- Enterprise risk management program development
- Advanced utility accounting
- Establishing and enhancing the internal audit function at your utility
- Sustainability accounting and reporting standards (Fall, 2014)

Baker Tilly also authors industry specific whitepapers and textbooks that focus on emerging and current issues of interest to the energy industry in the area of financial, compliance and regulatory issues. More information can be found at <http://bakertilly.com/Energy-Utilities>. You can also connect with us on LinkedIn; to join our group query ***Energy and Utilities Enterprise Risk Advisory and Assurance Issues***. We now have over 900 group members.

With our depth of experience, industry-specific knowledge, and commitment to your success, you can count on our proven ability to deliver quality reporting and analysis that your stakeholders and interested parties can rely on.

EXHIBIT "B"
COMPENSATION

The Consultant shall be compensated by the City based on invoices detailing work performed and hours expended by professional, according to the following fee schedule:

Partner: \$245.00 per hour

Manager: \$180.00 per hour

Senior: \$150.00 per hour

Staff: \$245.00 per hour

The total amount expended by the City shall not exceed \$135,000.

EXHIBIT "C"
KEY PERSONNEL

Russell Hissom (Partner)
Amanda Neuman (Manager)
Stacey Gill (Manager)
Caitlin Humrickhouse (Senior)
Brian Kim (Senior)
Kyle O'Rourke (Senior)
Danielle Wakai (Senior)
Gwen Peach (Senior)
Michael Dumke (Senior)