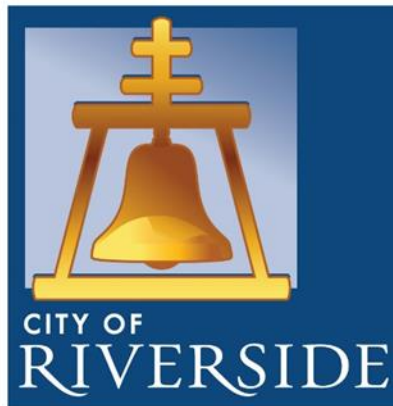


**REQUEST FOR PROPOSALS
FOR PROFESSIONAL SERVICES**

Professional Auditing Services

RFP No. 1889



City of Arts & Innovation

**ISSUED BY
THE CITY OF RIVERSIDE
FINANCE-PURCHASING DIVISION FOR:**

Finance Department
3900 Main Street
Riverside, California 92522

PROPOSAL DUE

March 7, 2019 BEFORE 3:00 PM PT

Request for Proposals

Table of Contents

Section

1. Introduction/Purpose
2. Schedule of Events
3. Scope of Services
4. General Terms and Conditions
5. Inquiries
6. Completion of Proposal
7. Delivery/Submission of Proposals
8. Addenda
9. Alternative Proposals
10. Proposal Requirements
11. Evaluation of Proposals
12. Rejection of Proposal
13. Protest Procedures
14. Contract Term
15. Contract Documents
16. Execution of Agreement
17. Failure to Execute Agreement
18. Cancellation

Exhibit A – Scope of Services

Exhibit B – Disclosure Questionnaire

Exhibit C – Schedule of Professional Fees and Expenses

Exhibit D – Professional Services Agreement

1. Introduction/Purpose

The City of Riverside (the City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2019, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years. 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*, the provisions of the federal Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* as well as any other applicable federal, state, local or programmatic audit requirements.

Proposals are requested from Firms that have a demonstrated ability to perform the tasks identified in this Request for Proposal ("RFP").

2. Schedule of Events

It is the goal of the City to select and retain a Firm by May 14, 2019. In preparation for that action, the following **tentative** schedule of events has been prepared:

Event	Date	Time
Request for Proposals Released	2/08/2019	N/A
Final Questions Due	2/21/2019	Before 3:00pm PST
Responses to Questions Released	2/28/2019	N/A
Proposals Due	3/07/2019	Before 3:00pm PDT
Notification of Tentative Selection	4/11/2019	N/A
Tentative City Council Meeting to Consider Awarding Contract	5/14/2019	N/A

The City reserves the right to amend, withdraw and cancel this RFP. The City reserves the right to request or obtain additional information about any and all submittals before making an award. The City also reserves the right to seek clarification from any Proposer about any statement in its proposal that the City finds ambiguous.

3. Scope of Services

The City prepares a Comprehensive Annual Financial Report (CAFR) and desires the auditor to express an opinion on the fair presentation of its basic financial statements included therein in conformity with generally accepted accounting principles. (See Exhibit A for additional details)

4. General Terms and Conditions

The successful Firm will be required to execute a Professional Services Agreement (Exhibit D). The successful Firm must meet all insurance requirements in the Agreement. All terms and conditions of the Agreement are non-negotiable. Firm must possess valid City of Riverside Business License throughout the term on the contract. Failure to execute the Agreement and furnish the required insurance within the required time period shall be just cause for the rescission of the award. If any of the successful Firms refuse or fail to execute the Agreement, the City may award the Agreement to the next most qualified Firm.

5. Inquiries

If prior to the date fixed for submission of Proposals, a prospective Firm discovers any ambiguity, conflict, discrepancy, omission or other errors in this RFP or any of its appendices or exhibits, the Firm shall immediately notify the City of such error in writing and request modification or clarification of the document. Modifications shall be made by written Addenda to the RFP.

If a Firm fails to notify the City, prior to the date fixed for submissions of Proposals, of an error in the RFP known to the Firm, or an error that reasonably should have been known to the Firm, the Firm shall submit its Proposal at its own risk, and if the Firm is awarded a Contract, it shall not be entitled to additional compensation or time by reason of the error or its later correction.

All requests for clarifications, changes, exceptions, deviations to the terms and conditions set forth in this RFP must be submitted via "Q&A" through the City's Electronic Bidding System, PlanetBids Vendor Portal.

The Final day for receipt of questions from the Proposer shall be on or before Thursday, February 21, 2019 before 3:00p.m. PST. To ensure fairness and avoid misunderstandings, **all communications must be in written format** and submitted **only** in the format set forth above. Any verbal communications will not be considered or responded to. All questions received by the due date will be logged and reviewed and if required, a response will be will be posted on the City's bidding website. **Any communications, whether written or verbal, with any City Councilmember or City staff other than Phebe Timarong, prior to award of a contract by City Council, is strictly prohibited and the Proposer shall be disqualified from consideration.**

6. Completion of Proposal

Proposals shall be completed in all respects as required by this RFP. A proposal may be rejected if conditional or incomplete, or if it contains any alterations or other irregularities of any kind, and will be rejected if any such defect or irregularity can materially affect the quality of the proposal. Proposals which contain false or misleading statements may be rejected. If, in the opinion of the City's Selection Committee, such information was intended to mislead the City in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, the proposal

will be rejected. Statements made by a Firm shall also be without ambiguity, and with adequate elaboration, where necessary, for clear understanding.

Unauthorized conditions, exemptions, limitations, qualifications, or provisions attached to a Proposal will render it non-responsive and will cause its rejection.

The Firm, in responding to this RFP, must submit Proposals in the format identified in this RFP. The Proposal must address all requirements of the RFP even if a “no response” is appropriate.

Costs for developing Proposals are entirely the responsibility of the Firm and shall not be chargeable to the City. The City shall not be liable for any costs incurred in response to this RFP, including but not limited to, costs for any interviews, presentations, or other follow-up information necessary as part of the selection process. All costs shall be borne by the Firm responding to this RFP. The Firm responding to this RFP shall hold the City harmless from any liability, claim, and expense whatsoever incurred by or on behalf of the Firm.

7. Delivery/Submission of Proposals

Proposal Due Date/Time: 3/07/2019 BEFORE 3:00p.m. PDT

All prospective Firms submitting a proposal must appear on the City’s electronic Current Prospective Bidders List as a “Prospective Bidder.” Firms shall register on the City’s Electronic Bidding System, [PlanetBids Vendor Portal](#). Once registered, Firms must **download the RFP by clicking “Place eBid” while logged in** under their own name and identification number to appear on the Current Prospective Bidders List as a “Prospective Bidder.” Firms that fail to download the RFP by clicking “Place eBid” will not appear on the Current Prospective Bidders List and their proposals will be considered non-responsive. If a Firm is unable to register or download the RFP from the bidding website, a representative may contact the Purchasing Department at (951) 826-5561.

All proposal documents and supplementary documents must be uploaded using the City’s bidding website prior to event date and time as instructed in this solicitation. Once file(s) have been uploaded and the Submission Status shows as “Submitted” the submission is complete. At that point respondents will receive an email confirmation from the bidding website.

The City reserves the right to reject any and all proposals and to waive information and minor irregularities in any proposal received.

Acceptance of Terms and Conditions - Submission of a proposal pursuant to this RFP shall constitute acknowledgment and acceptance of all terms and conditions hereinafter set forth in this RFP.

The time and date are fixed, and extensions will not be granted unless specifically stated by the City in an addendum to this RFP. Proposals not received before the bid event time will not be accepted.

8. Addenda

Unless otherwise specified, any addenda issued during the time of bidding must be acknowledged electronically via the City's Bidding Website, which will be made part of the proposal. Addenda notifications will be provided to those listed on the Electronic Prospective Bidder's List via email.

9. Alternative Proposals

Only one proposal is to be submitted by each Firm for this RFP. Multiple simultaneous proposals will result in rejection of all Proposals submitted by Firm. A Firm may, prior to the proposal due date and time, withdraw a proposal and submit a new proposal, so long as the new proposal is submitted before the proposal due date and time.

10. Proposal Requirements

Proposals will only be considered from Firms that meet the following prerequisites:

- Have at least 5 years of experience, within the past 5 years under a legally registered business name, in providing services of a similar type and scope as described in the Scope of Services. Have not filed for bankruptcy under any business name over the past five (5) years.
- Have registered as a "Prospective Bidder" on the City's electronic Current Prospective Bidders List. Register at:

[PlanetBids Vendor Portal](#)

- Once registered, Firms must download this RFP by clicking "Place eBid" under their name in order to appear on the Bidder's List as a "Prospective Bidder." Firms that fail to specifically download this RFP will not appear on the Bidders' List and will be unable to participate or be considered for this RFP.
- The audit Firm and/or its key personnel, shall hold an appropriate license for the Firm's discipline and the services on the date the Proposal is submitted.

A. Transmittal Letter

A signed letter of transmittal briefly stating the audit firm's understanding of the work to be done, the commitment to perform the work within the time period, a

statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm offer for 5 years.

ii. Detailed Proposal

The detailed proposal should follow the order set forth in Section B, below, of this section.

B. Technical Proposal

1. General Requirements

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

The Technical Proposal should address all the points outlined in the request for proposal. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the audit firm's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the City of Riverside as defined by generally accepted auditing standards and other relevant authoritative literature.

The firm also should provide an affirmative statement that it is independent of all of the City's component units as defined by those same standards. The firm should also list and describe the firm's professional relationships involving the City or any of its component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

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

3. 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.

The selected firm will be required to obtain a Riverside business license.

4. Firm Qualifications and Experience

The audit firm should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed 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.

The firm is also required to submit a copy of the report on its most recent peer review, with a statement whether that review included specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and describe their role in the audit. Indicate whether each such person is registered or licensed to practice as a certified public accountant in California. Provide information on the government auditing experience of each person, including **any utility regulatory accounting experience**, information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, consultants and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City.

However, in either case, the City retains the right to approve or reject replacements.

6. Prior Engagements with the City of Riverside

List separately all engagements within the last five years, if any, ranked on the basis of total staff hours, performed for the City by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. **Firm must possess experience with Successor Agencies, as well as Water and Electric Utilities. Please highlight any specific experience with Successor Agencies, Water and Electric Utilities.**

These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Scope of Services of this request for proposal. In developing the work plan, reference should be made to such sources of information as City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Audit firms will be required to provide the following information on their audit approach:

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

9. Identification of Anticipated Potential Audit Problems

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

10. Report Format

The proposal should include sample formats for required reports.

C. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price proposal is to contain all direct and indirect costs including all out-of-pocket expenses. It should be noted that the City does not provide parking to its various consultants and should be considered by the audit firm in the development of their proposal. A breakdown of the audit fee by individual reporting requirement will be required after the proposal has been awarded in order to allocate audit expenses to appropriate cost centers.

2. The dollar cost proposal should include the following information:
 - a. Name of Firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City of Riverside.
 - c. A Total All-Inclusive Maximum Price for each year of the engagement.

3. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The dollar cost proposal should include a schedule of professional fees and expenses, presented in the format provided in Attachment C, that supports the total all-inclusive maximum price.

4. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

Estimated out-of-pocket expenses to be reimbursed should be separately presented in the dollar cost proposal.

5. Rates for Additional Professional Services

If it should become necessary for 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 on this engagement, then such additional work shall be performed only if set forth in an addendum to the agreement between City and the Firm. Any such additional work agreed to between City and the Firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal or on a fixed fee arrangement as negotiated in advance of performing such additional procedures.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Firm's cost proposal. Interim billing shall cover a period of not less than a calendar month. All billings are subject to a ten percent (10%) retention pending delivery of the Firm's final reports.

Proposals should be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Responses should emphasize the Firm's demonstrated capability to perform work of this type. Emphasis should be concentrated on completeness and clarity of content.

All proposals must include a response to the Disclosure Questionnaire utilizing the form in Exhibit "B."

11. Evaluation of Proposals

A. Selection Committee

Members of a Selection Committee will evaluate proposals submitted.

A Selection Committee consisting of City staff and members of the City of Riverside Finance Committee will evaluate proposals submitted.

During the evaluation process, the Selection Committee and the City reserve the right, where it may serve the City's best interest, to request additional information or clarifications from audit firms, or to allow corrections of errors or omissions. At the discretion of the City or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

B. Review of Proposals

Each member of the Selection Committee will first evaluate the technical proposals by the criteria described in Section C below. The full Selection Committee will then convene to review and discuss these evaluations and to arrive at a composite technical score for each Firm. At this point, Firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each Firm has been established, the dollar cost proposal will be considered in conjunction with the technical score.

The City reserves the rights to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be first evaluated as to whether the Firm meets mandatory criteria. Those passing the first evaluation will have their proposal evaluated for technical qualifications and price. Following are some of the specific items of review that will be judged during the evaluation process.

1. The audit Firm's responsiveness in clearly stating their understanding of the work to be performed;

2. The Firm's size and structure;
3. The Firm's and selected staff's experience with local governments, utilities, successor agencies, federal and state grants; and
4. The anticipated support requirements of City staff showing personnel class and hours expected.

**COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION
OF AN AUDIT FIRM**

D. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request any one or all Firms to make oral presentations. Such presentations will provide Firms with an opportunity to answer any questions the Selection Committee may have on a Firm's proposal. Not all Firms may be asked to make such oral presentations.

E. Final Selection

The Selection Committee will recommend a Firm to the City Council based upon the criteria established for presentation. Based upon staff recommendation, the City Council will make the final award. It is anticipated that a Firm will be selected by May 14, 2019. Following notification of the Firm selected, it is expected an agreement will be executed between both parties shortly thereafter.

Consultants will be evaluated on the basis of the following criteria:

- a. Qualifications (25%)
- b. Pricing (20%)
- c. Experience (Projects of similar size and scope) (35%)
- d. Professional References (10%)
- e. Approach and Methodology (10%)

12. Rejection of Proposals

The City may reject any/or all Proposals and may waive any immaterial deviation in a Proposal. The City's waiver of an immaterial defect shall in no way modify this RFP or excuse the Firm from full compliance with this RFP and/or the Contract Documents if awarded the Contract. Proposals that include terms and conditions other than City's terms and conditions may be rejected as being non-responsive. The City may make investigations as deemed necessary to determine the ability of the Firm to perform the work, and the Firm shall furnish to the City all such information and data for this purpose as requested by the City. The City reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Firm fails to satisfy the City that such Firm is properly qualified to carry out the obligations of the Agreement and to complete the work described herein.

13. Protest Procedures

A Firm not selected by the City for the award of the Contract desiring to protest the City's selection, may do so by following the City's Procurement Protest Procedures in Administrative Manual, section 07.011.00. Protests not conforming to this procedure will be rejected as invalid. The City's Protest Procedures are available on the City's website at <https://riversideca.gov/finance/pdf/2017/07.011.00-Procurement-Protest-Procedures.pdf>.

14. Contract Term

The initial term of the Agreement shall be from May 14, 2019 through December 31, 2019 with the option to extend for four (4) additional one (1) year extensions not to exceed five (5) years based upon acceptable performance by the Firm, acceptable fees and subject to the same terms and conditions of the Agreement. Auditing for a maximum of total five (5) fiscal years FY18/19 through FY22/23.

15. Contract Documents

In submitting a Proposal, the Firm agrees to enter into an Agreement with the City *without exceptions to the City's standard agreement*. The City's standard agreement is **non-negotiable**, and a copy of the standard agreement is attached hereto as Exhibit "D". **Any change to the standard agreement will deem the Proposal non-responsive.** In the event of a conflict exists between documents the following order of precedence shall apply:

- Agreement
- City of Riverside's Request For Proposals
- Firm's Response to the Request For Proposals

16. Execution of Agreement

After contract award, the following shall be signed and returned to the City within fourteen (14) calendar days from the date the City mails, or by other means delivers said documents to the Firm:

- One (1) original of the Agreement in the form included herein, properly executed by the Firm.
- Certificates of Insurance and Additional Insured Endorsement evidencing coverage as specified in the sample agreement.
- Confirmation of current business tax certificate.
- Bonds, if required.

In any event that day fourteen (14) of calendar days falls on Saturday, Sunday, a legal holiday for the State of California, or on days when the City is closed, the Contract Documents shall be delivered by the following working day.

No Agreement shall be binding upon the City until all documents are fully executed by the Firm and the City.

17. Failure to Execute the Agreement

Failure to execute the Agreement and furnish the required insurance and business tax certificate, within the required time period shall be just cause for the rescission of the award. If bonds are also required, failure to furnish sufficient bonds shall cause rescission of the award. If the successful Firm refuses or fails to execute the Agreement, the City may award the Agreement to the next qualified Firm.

18. Cancellation

The City retains the right to cancel this RFP at any time, should it be deemed to be in the best interest of the City. No obligation either expressed or implied exists on the part of the City to make an award based on the submission of any proposals.

EXHIBIT A

Scope of Services

Financial auditing 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 applicable to financial audits contained in Government Auditing Standards (current edition), issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act (current version at the time of the audit);
4. The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and
5. When applicable, provisions of the American Recovery and Reinvestment Act.

The foregoing standards insure that the audit will be planned and performed to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit shall also include assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

A. Reports to be Issued

Upon completion of the audit for each fiscal year the auditor shall issue the following reports:

1. An audit opinion on the fair presentation of the City's financial statements (CAFR) in conformity with generally accepted accounting principles.
2. An audit opinion on the fair presentation of the financial statements of the Successor Agency to the Redevelopment Agency of the City of Riverside in conformity with generally accepted accounting principles.
3. All reports required for compliance with the provisions of *OMB Circular A-133* and the *Single Audit Act*.
4. The required communications associated with the Southern California Air Quality Management District rules.
5. A report of Agreed-Upon Procedures relative to the City's calculation of its Appropriation Limit in accordance with the *Article XIII B Appropriations Limit Uniform Guidelines* and as mandated by the California Constitution.
6. An audit report for the Riverside Public Financing Authority.

7. An audit report for the Riverside Public Utilities Electric and Water Fund component unit statements.
8. A report of Agreed-Upon Procedures issued relative to the guidelines provided by the State Department of Transportation to recipients of funds through the State-Local Transportation Partnership Program. Please note, for past several fiscal years this report has not been required since funding amounts were under the required threshold.

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

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

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

Irregularities and illegal acts: Auditors shall be required to make an immediate, *written* report of all irregularities and illegal acts or indications of illegal acts of which they become aware to Edward Enriquez, Chief Financial Officer /Treasurer and to the Chair of the City of Riverside Finance Committee.

The City of Riverside Finance Committee is a subcommittee of the City Council, which also serves as the City's Audit Committee. Auditors shall communicate to the City's Audit Committee all communications as required by SAS 114.

B. Special Considerations

1. The City of Riverside will send its CAFR to the Government Finance Officers Association for review in their certificate award program. It is anticipated that the auditor will perform their procedures with a level of review designed to help assure that the City will meet the requirements and time deadline of this program.
2. The City routinely prepares one or more official statements in connection with the sale of debt securities, which will contain the financial statements and the auditor's report thereon. The auditor shall be required at no

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

3. The schedule of expenditures of federal awards and related auditor's reports are to be issued separately from the CAFR.

C. Working Paper Retention and Access to Working Papers

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

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

D. Public Records

All Proposals submitted in response to this RFP become the property of the City and pursuant to the Public Records Act (Gov. Code, § 6250 et seq.) are public records, and as such may be subject to public review at least 10 days before selection.

The Firm must notify the City in advance of any proprietary or confidential materials contained in the Proposal and provide justification for not making such material public. The City shall have sole discretion to disclose or not disclose such material subject to any protective order that the Firm may obtain. Note that under California law, price proposal to a public agency is not a trade secret.

The City reserves the right to make use of any information or idea contained in the Proposal. All materials, ideas and formats submitted in response to this RFP will become the property of the City on receipt.

- E It is expected that the selected firm will keep the City informed of new state and national developments affecting municipal finance and reporting, standards and trends including changes in federal/state grant program accounting and reporting requirements. This shall include at least one formal updating session per year with financial/accounting staff.
- F. **The scope of the audit must also include consulting time up to 40 hours per year on subjects that could affect financial reports such as reviewing official statements for bond sales or answering payroll taxation issues, (this is in addition to consultations on matters directly relating to the audit and reports), assistance with preparing journal entries and note disclosures**

related to new Government Accounting Standards Board (GASB) pronouncements.

G. Fund Structure

The City of Riverside uses the following fund types:

Fund Type	Number of Individual Funds	Number with Legally Adopted Budgets
General Fund	1	1
Special Revenue Funds	8	8
Debt Service Funds	1	1
Capital Projects Funds	4	4
Permanent Funds	1	0
Enterprise Funds	8	8
Internal Service Funds	3	3
Agency Funds	1	0
Private-Purpose Trust Funds	1	1

H. Budgetary Basis of Accounting

The City prepares its budget on a basis consistent with generally accepted accounting principles, however, Capital Project Funds are budgeted on a project length basis.

I. Component Units

The City's reporting entity includes component units, which are legally separate entities for which the City is financially accountable. The management of the City identified the following component units for inclusion within the City's reporting entity. All component units have a June 30 fiscal year end:

Riverside Housing Authority
 Riverside Public Financing Authority
 Riverside Municipal Improvements Corporation
 Successor Agency to the Redevelopment Agency of the City of Riverside

As previously noted, the Successor Agency, Financing Authority, Water and Electric Enterprise Funds require separate audit reports.

J. Magnitude of Finance Operations

The Finance Department is headed by Edward Enriquez, Chief Financial Officer/Treasurer, and consists of 57 employees.

Other City departments have additional accounting staff that assist Finance but are not under its supervision.

K. Internal Audit Function

The City has an internal audit function which reports to the City Manager and is currently staffed by one (1) employee.

L. Availability of Prior Audit Reports and Working Papers

Macias Gini & O'Connell LLP of Newport Beach, California completed the most recent audit for the fiscal year ended June 30, 2018. The City's Comprehensive Annual Financial Reports for the past 10 years can be obtained online at the City's website at: <http://www.riversideca.gov/finance/cafr/>. Previously issued Financial Reports for the Water and Electric Enterprise Funds can be obtained online at the City's website at: <https://riversideca.gov/utilities/about-rpu/annual-reports.asp>.

The City will use its best efforts to make prior audit reports and supporting working papers available to accounting firms to aid in their response to this request for proposal.

M. Prior Year Audit Fee and Audit Hours

The audit fee for the audit of the City's financial statements for the year ended June 30, 2018 was \$201,500. Macias Gini & O'Connell LLP has indicated that 1,700 professional hours were expended to perform the audit for that fiscal year.

N. Schedule for the June 30, 2019 fiscal year audit.

The auditor should complete each of the following no later than the dates indicated.

1. Interim Work

The auditor shall be expected to complete interim audit work. The City prefers this work be completed during the May or June time frame.

2. Detailed Audit Plan

The auditor shall provide City of Riverside with a detailed audit plan and a list of all schedules to be prepared by the City of Riverside for both interim and year-end audit work.

3. Fieldwork

Year-end fieldwork should commence during the first week of September. The auditor should complete all fieldwork during the first week of October. Draft financial statements will be provided to the auditors during the first

week of October for their review. The auditors should complete their review of the draft financial statements by no later than October 31.

4. Final Reports

The auditor shall issue the CAFR audit opinion and all other reports due under this proposal by **October 31st**.

O. Entrance Conferences, Progress Reporting and Exit Conferences.

At a minimum, the following conferences should be held:

Entrance conference with all key Finance department personnel at the beginning of interim work and year-end work.

During the preliminary stage of the audit, the auditor should meet with the Chair of the Audit Committee to discuss the planned scope and timing of the audit.

Progress reporting with Controller and others on a weekly basis.

Exit conference at conclusion of audit with all key Finance department personnel.

Subsequent meetings to present audit and related reports to the Finance Committee and the City Council. Auditor is expected to make a presentation to the Finance Committee in its capacity as the Audit Committee.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of City.

B. Electronic Data Processing (EDP) Assistance

City personnel will be available to provide systems documentation and explanations. The auditor can be provided inquiry access to the City's finance system to expedite their auditing procedures.

C. Statements and Schedules to be Prepared by City Staff

City staff will prepare reasonably required statements and schedules for the auditor. Sample formats of each work paper must be submitted. Auditors are expected to use existing reports to the extent possible.

D. The anticipated support requirements of City staff showing personnel class and hours expected should also be included in the proposal.

E. Report Preparation

Report preparation and printing for the CAFR, Successor Agency, Financing Authority and the Public Utilities statements shall be the responsibility of the City. The auditor will be expected to produce all other required reports.

EXHIBIT B

Disclosure Questionnaire

The Firm shall complete the following questionnaire:

1. Has the Firm, any officer of the Firm, or any employee of the Firm who has proprietary interest in the Firm, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

2. Has the Firm, any officer of the Firm, or any employee of the Firm who has proprietary interest in the Firm, ever had any administrative proceedings, claims, lawsuits, or other exposures pending against the Firm?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

3. Has the Firm, any officer of the Firm, or any employee of the Firm who has proprietary interest in the Firm, filed for bankruptcy under any business name over the past five (5) years.

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

4. Has the Firm, or any officer of the Firm or any employee of the Firm who has proprietary interest in the Firm, have any past or current business and personal relationships with any current Riverside elected official, appointed official, City employee or family member of any current Riverside elected official, appointed official or City employee?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

EXHIBIT C

For the Audit of the Financial Statements

June 30, 2019

Planning and Execution of Test of Controls:

Execution of Substantive Tests:

Completion:

EXHIBIT C
Schedule of Professional Fees and Expenses
For the Audit of the Financial Statements
June 30, 2019

Total Estimated Hours	Estimated Hours								Standard Hourly Rate	Quoted Hourly Rate	Total All-Inclusive Price
	CAFR	Single Audit	Successor Agency	Water & Electric	RPFA	AQMD	GANN Limit	Total			
List Title (Partner, Manager, Supervisor, Senior, Staff, etc.)	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Partner	-	-	-	-	-	-	-	-	-	-	-
Manager	-	-	-	-	-	-	-	-	-	-	-
Supervisor	-	-	-	-	-	-	-	-	-	-	-
Senior #1	-	-	-	-	-	-	-	-	-	-	-
Senior #2	-	-	-	-	-	-	-	-	-	-	-
Staff #1	-	-	-	-	-	-	-	-	-	-	-
Staff #2	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-	-	-			\$ -
Out of Pocket Expenses:											
Meals & Lodging											-
Transportation											-
Other											-
Total All Inclusive Maximum Price for 2018-2019 Audit											\$ -

Note: The rate quoted shouldnot be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all inclusive maximum price.
Please include estimated hours by each audit team member to understand the proposed audit group size.
USE THE SAME FORMAT FOR EACH SUBSEQUENT YEAR OF THE FIVE-YEAR AGREEMENT.

Schedule of Professional Fees and Expenses
For the Audit of the Financial Statements
Fiscal Year Ending June 30,

Service Description	Annual All-Inclusive Maximum Audit Cost						Total
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023		
Annual Audit of the City of Riverside's Financial Statements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Single Audit Procedures and Required Reporting	-	-	-	-	-	-	-
Audit of the Successor Agency to the Former Redevelopment Agency	-	-	-	-	-	-	-
Audit of the Water and Electric Utility Enterprise Funds	-	-	-	-	-	-	-
Audit of the Riverside Public Financing Authority	-	-	-	-	-	-	-
Air Quality Management District Report on Compliance	-	-	-	-	-	-	-
GANN Appropriation	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Out of Pocket Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Meals & Lodging	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total All Inclusive Maximum Price for Auc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Service Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023		Total
Agreed-Upon Procedures for the State-Local Transportation Program (if required)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

[**Enter CONSULTANT'S Name**]

[**Enter in Description of Services**]

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 [**Enter in CONSULTANT'S NAME**], a [**Enter in entity, *for example: a California corporation, a limited partnership, a limited liability company, etc.***] ("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 [**Enter in Name of Project**] ("Project").

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until [**Enter in: *termination date, for example: May, 3, 2012***], 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 [**Enter in written dollar amount, *for example: Two Thousand Five Hundred Dollars***] [**Enter in numeric dollar amount: *for example: (\$2,500)***] 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

[**Enter in Department**]
City of Riverside
Attn: [**City Representative**]
[**Address**]
Riverside, CA [**ZIP**]

To Consultant

[**Name of Consultant or Company**]
Attn: [**Name of Representative**]
[**Address**]
[**City, STATE, ZIP**]

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 26 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.** 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 each party will bear their own attorney's fees and costs.

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" - Scope of Services 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
a California corporation

[**CONSULTANT’S NAME**],

By: _____
City Manager

By: _____

Attest: _____
City Clerk

[Printed Name]

[Title]

Certified as to Availability of Funds:

By: _____

By: _____
Finance Director

[Printed Name]

[Title]

Approved as to Form:

By: _____
Deputy City Attorney

Master Template
Rev: 02/05/16

EXHIBIT “A”

SCOPE OF SERVICES

EXHIBIT “B”
COMPENSATION

EXHIBIT “C”

KEY PERSONNEL

RFP-1889

February 28, 2019

REQUEST FOR PROPOSALS
FOR PROFESSIONAL SERVICES
PROFESSIONAL AUDITING SERVICES
ADDENDUM 2

***** ACKNOWLEDGEMENT OF THIS ADDENDUM IS REQUIRED.** Please acknowledge all addenda electronically via the City's electronic bidding system as part of your response before the deadline. Failure to acknowledge an addendum, unless the requirement to acknowledge has been waived, will immediately cause your submittal to be deemed non-responsive.

MINOR SCHEDULE CHANGES SEE BELOW

Event	Date	Time
Request for Proposals Released	2/08/2019	N/A
Final Questions Due	2/21/2019	Before 3:00pm PST
Responses to Questions Released	2/28/2019	N/A
Proposals Due	3/07/2019	Before 3:00pm PDT
Tentative Interviews by City Staff	Week of 3/18/19	To be determined
Tentative Interviews by Finance Committee	4/10/2019	To be determined
Tentative City Council Meeting to Consider Awarding Contract	6/04/2019	To be determined

ALSO ADDED RESPONSES TO QUESTIONS SUBMITTED