

# PROFESSIONAL CONSULTANT SERVICES AGREEMENT

LANCE, SOLL & LUNGHARD, LLP

CAFR Software Solution (RFP No. 2015)

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (“Effective Date”), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”), and LANCE, SOLL & LUNGHARD, LLP, a California limited liability partnership (“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 CAFR Software Solution (RFP No. 2015) (“Project”).

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect from July 20, 2021, through December 31, 2024, with two one-year options to renew (to wit, January 1 to December 31, 2025, and January 1 to December 31, 2026), unless otherwise terminated pursuant to the provisions herein.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement for the total sum of Three Hundred Twelve Thousand Nine Hundred Twenty-Four Dollars (\$312,924.00) for the initial term from July 20, 2021, through December 31, 2024, Thirty-Nine Thousand Fifty-Four Dollars (\$39,054.00) for the first option of one additional year, and Thirty-Nine Thousand Eight Hundred Ninety-One Dollars (\$39,891.00) for the second option of one additional year, 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

Finance/Accounting  
City of Riverside  
Attn: Nancy Garcia  
3900 Main Street  
Riverside, CA 92522

To Consultant

Lance, Soll & Lunghard, LLP  
Attn: Gail Gray  
203 N. Brea Blvd., Suite 203  
Brea, CA 92821

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](http://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. Consultant will reimburse City for reasonable defense costs for claims arising out of Consultant’s professional negligence based on the percentage of Consultant’s liability. 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. This provision shall survive the expiration or termination of this Agreement.

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. This provision shall survive the expiration or termination of this Agreement.

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. This provision shall survive the expiration or termination of this Agreement.

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 the Superior Court, 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, military and veteran status, 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

[Signatures on following page]

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

LANCE, SOLL & LUNGHARD, LLP,  
a California limited liability partnership

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
[Printed Name]

\_\_\_\_\_  
[Title]

Certified as to Availability of Funds

**and**

By: \_\_\_\_\_

By: \_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
[Printed Name]

Approved as to Form:

\_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
Senior Deputy City Attorney

## **EXHIBIT “A”**

### **SCOPE OF SERVICES**

#### **I. City’s RFP**

##### **A. Consultant will provide City with a software solution that will:**

1. Be a fully integrated Annual Comprehensive Financial Report (ACFR) solution that will automate the ACFR, Water and Electric Financial Statements, by collecting inputs from multiple data sources and automatically integrate it into the solution.
2. Efficiently create the CAFR and reduce the production time required by at least half including project calendar, task assignment and workflow tracking.
3. Provide the ability to centrally maintain all the components of the ACFR, Water and Electric Financial Statements, document (financial reports, statistical information, required supplemental information, back up documentation, etc.), both current and historical (up to 10 years).
4. Provide the ability to automatically incorporate financial reporting rules and GASB changes as implemented.
5. Provide the ability for numerous users to simultaneously update ACFR, Water and Electric Financial Statements, information based on security parameters.
6. Provide the ability to produce an audit trail of statement modifications as work progresses.
7. Ability to create on demand reports and create analytical reports to validate changes and identify potential issues.
8. Allow for users to drill down from any value in the statements, provide supporting documents and annotate documents including leadsheets.
9. Be a solution within a framework that allows for organizational changes, such as new funds and Departments, to flow automatically to all statements.
10. Provide a solution that includes maintenance and is fully supported.
11. Enable creation of other outside financial or miscellaneous reports within the same solution.
12. Provide implementation and ongoing training to end users, as well as useful help features.
13. Ability to automate future reports such as the Budget and PAFR.
14. The software solution should have the ability to automate the financial statements, as well as update financial information, including dates/years in the Notes, Management Discussion and Analysis and other Word documents including charts and graphs.
15. The software solution should have the ability to include adjusting journal entries and conversion entries that will automatically update all financial statements, notes, leadsheets, etc.
16. Software capabilities must include comprehensive reporting, ACFR, Water and Electric Financial Statements, Workpapers, and Audit Workpapers.

##### **B. The parties acknowledge and agree that Consultant is not a design professional, and Paragraphs 11.2 and 11.3 of the Agreement shall not apply.**

## **II. Statement of Understanding and Approach**

### **A. Replication Phase**

#### **1. Database**

Consultant will be utilizing City's staff to obtain an understanding of City's existing accounting structure and apply this structure to CaseWare's standard groupings. This allows for the group assignments of up to 10 available Groups. The following aspects of the CaseWare file will be established with work from both Consultant's team and City's team:

##### *a) Project Initiation*

Consultant's staff will create CaseWare file and assist City's team in setting up for the implementation process. This includes getting the software installed, adding City's team members to appropriate subscription services necessary for collaborative efforts and project management. This may include, but may not be limited to, CaseWare Cloud and Microsoft Teams. At this phase, City's team will also approve a universal teams-style sheet for application throughout the document. OneDrive and/or SharePoint will be used for project communication for transferring of files when Document Manager within CaseWare is not utilized for file repository.

##### *b) Chart of Accounts*

At this stage, City's team must provide a chart of accounts, including components for the client's lowest level of reporting as an export into an excel file in a format as requested by Consultant. The export file will be used to create a trial balance by the fund in CaseWare, the data from which will be used to populate the document.

##### *c) Group Codes/ Mapping*

City's team will use CaseWare's standard groupings. Group codes will take the data from the chart of accounts and translate it into line items on the statements of the document. Consultant will assist City's team in establishing the best export file to facilitate the most efficient data import.

##### *d) Fund Structure*

City's team will obtain an export of the funds, fund numbers, and their respective reporting funds into an excel file. This Fund Data will be used to establish the Columns in the Statements of the document and the Trial Balances in the Work Papers.

##### *e) Document Management*

CaseWare Working Papers includes a document management system usage of which is both imperative to the implementation process, and exceptionally helpful if utilized beyond the minimum requirements of the replication process. At this stage, Consultant will assist in organizing City team's current Work Papers into the CaseWare DMS so they may be appropriately linked to the document. This is also the stage where the initial Trial Balance Automatic Documents will be created to begin the process of proofing out prior period or revision numbers that will be applied to the CaseWare document.

A CaseWare Working Papers file (the Database) is provided once balances have been imported by Consultant and Consultant feels that City's balances have uploaded properly.

#### **2. Template**

During this phase, Consultant's team will construct shells in CaseWare, apply coding and data entry to applicable sections if the data entry option is selected. Before Consultant's build staff can proceed to create the section in CaseWare, Consultant and City team must complete the process of

preparing the numeric data in the form of coded documents, proofing trial balances, recording adjusting journal entries. Consultant's builders will go through internal, technical and client review process. As the builder works to replicate these sections in the existing document, they will collaborate with City's team to improve consistency report-wide by applying universal formatting styles and other best practices. Consultant intends to handle all the headers, footers, and formatting issues, so City has a published ready document when our implementation is complete.

Consultant will prepare the Table of Contents so that it automatically updates each period or revision based on the actual pages required that year. Consultant will insert the pages for the intro section and divider pages. Consultant will apply standard rounding relations to the basic statements. The remaining rounding relations must be applied during the support phase with guidance from Consultant. The roll forward calculations will allow input and coded numbers to automatically move to the prior year columns when the file is moved to next year. This is not evident until the file is rolled forward, and City's team is moved to the Support Phase.

### **3. Training and Consulting**

#### *a) Database Setup Consulting*

The initial consulting work at the outset of the project will be primarily by Consultant. Consultant recommends choosing an on-site "kickoff" option to accomplish the end-goals of the setup phase as efficiently as possible. An on-site kickoff would include normally CaseWare Working Papers Training as well. If City's team declines the on-site work, this initial consulting can still be accomplished via web-based communication and collaboration platforms, like the rest of the project is performed.

### **4. CaseWare Working Papers Product Training**

The first official training the City team will need is on the CaseWare Working Papers Database. This course provides 12 hours of NASBA certified CPE and prepares City's team to work alongside Consultant's team in developing the database.

#### Learning Objectives:

When the course is complete, users should be able to:

- Understand grouping and how to assign accounts to group codes
- Utilize automatic documents to include Trial balance documents
- Create and manage PDF documents and integrate them with a document management system
- Post adjusting journal entries
- Add comments to the file via annotations, commentary, and issues
- Other tasks related to CaseWare's working paper database

Consultant's Working Papers Fundamentals Training covers just about all City's team needs to know for managing the Working Papers Software for use with City's GASB Template. Consultant recommends it if City is looking for a refresher course while preparing to publish and it is essential training for any new employee or team member. This training includes how to use the document manager, import data, creating journal entries, reviewing balances and consolidation trees. This is what City needs to manage the core of City's CaseWare files. A component of this training that

Consultant thinks the GASB users underestimate is the issue tracking. This is an invaluable part of maintaining and proving a clear audit trail within the software.

### **5. CaseWare GASB Financials Template Add-on Training**

The end of the Replication Phase and the initiation of the Support Phase is a training on the CaseWare GASB Financials Template. These courses provide 12 hours of NASBA certified CPE and prepares City's team to take ownership of their new, customized CaseWare Files. This course is split into two sections. The first is appropriate for all end-users of City's product, including entry-level staff. Template Authors will oversee more advanced file management and should be restricted to team leads.

#### **GASB Financials for All Users**

Estimated 6 CPE hours based on 50-minute hour

##### **Learning Objectives:**

This Seminar is designed to provide owners of the GASB and GAAP Financials solution with the knowledge necessary to create and use the financial solution in their files to achieve their team's report-publishing objectives.

When the course is complete, users should be able to:

- Navigate the Financials Interface
- Create Template Files
- Merge the Financials Template into an Existing File
- Complete Template Author Information
- Define Default Information, Report Details, and Layout for The Financial Statements
- Define Default Settings for Financial Statement Areas
- Complete Specific Set Up Options for Each Financial Statement Area
- Insert and Modify Table Content from The Knowledge Library
- Insert and Modify Note Content from The Knowledge Library
- Insert and Modify Custom Content Based on Do-It-Yourself Tables
- Define Custom Linkages and Link Balances
- Complete Template Worksheets
- Create Multiple Financial Statements Within the Template File

#### **GASB Financials for Template Authors**

Estimated 6 CPE hours based on 50-minute hour

##### **Learning Objectives:**

This Seminar is designed to provide owners of the GASB and GAAP Financials solution with the knowledge necessary to implement the unique formatting and reporting requirements for their organizations. The seminar also guides creating, managing, and updating content within the solution.

When the course is complete, users should be able to:

- Complete Entity Template Author Information
- Build new content as needed each year

- Define Standard Financial Statement Area Names
- Set General Settings, Including Dates, Tables, And Notes and to Prevent User Modification
- Choose the Reporting Period for Numeric Data in The Financial Statements
- Define Formatting Options for The Financial Statements

### **Micro-Training Sessions**

Throughout the implementation process, City's team will receive micro-training sessions on various processes. These sessions do not qualify for CPE but are necessary to complete the implementation process. These micro-training sessions are also a perk of having an implementer alongside your team for this process. Self-implementing clients generally determine their own pace and tend to miss out on this level of structured guidance.



**EXHIBIT “B”**

**COMPENSATION**

**By term:**

Initial term	July 20, 2021 to December 31, 2024	\$ 312,924.00
Option 1	January 1 to December 31, 2025	\$ 39,054.00
Option 2	January 1 to December 31, 2026	\$ 39,891.00
		-----
Total		\$ 391,869.00

**By phase:**

Lance, Soll & Lunghard, LLP	Amount
RFP Proposal	\$139,040
Phase I Options	\$77,084
Phase II Options	\$62,700
Phase III Options	\$113,045
<b>Grand Total</b>	<b>\$391,869</b>

\*Options include additional reports, licenses and training.

[Exhibit “B” continues on following page]



**Lance, Soll, & Lunghard LLP**  
Technological Consulting Team

# NEGOTIATED COST PROPOSAL

In response to Negotiations for “RFP No. 2015: ACFR Software Solution”

Dated: Tuesday, May 11, 2021

## CONTENTS

<b>Phase 1 Software Costs</b>	<b>2</b>
Software Licenses (Reconciliation to BAFO+RFC):	2
<b>Phase 1 Professional Services “Web-Based”</b>	<b>4</b>
Implementation Services (Reconciliation to BAFO+RFC):	4
Training (Reconciliation to BAFO+RFC):	5
Recommended Support Services (Optional/ Additional to Support Estimated in BAFO+RFC):	5
Phase 1 - Year 1 Totals (Reconciliation to BAFO+RFC):	6
Phase 1 - Years 1-3 Totals (Reconciliation to BAFO+RFC):	6
<b>(Additional/Optional Report Templates) Phase 2 (ACFR Go-Live and Additional Reporting Templates - Including PAFR as per BAFO+RFC)</b>	<b>7</b>
Implementation Services:	7
Training	7
Support Services:	7
Software Licenses	8
Year 2 Totals:	8
<b>(Additional/Optional Report Templates) Phase 3 (Budget)</b>	<b>9</b>
Implementation Services:	9
Training:	9
Support Services:	9
Software Licenses	10
Year 3 Totals:	10
<b>Years 4-5, All Phases</b>	<b>11</b>
Year 4 Totals:	11
Year 5 Totals:	11
<b>Grand Total Exercising All Options Including Licensing Fees (All Years All Phases):</b>	<b>11</b>
<b>Hourly Services</b>	<b>12</b>

The following Document Represents a summary of negotiations between the City of Riverside and LSL CPA’s and Advisors (FKA Gray CPA Consulting, AKA Lance, Soll & Lunghard, LLP). The negotiations commenced with a response to *RFP No. 2015: ACFR Software Solution*.

To reconcile to documents such as the *Best and Final Offer (BAFO)* and the *Request for Clarification (RFC)*, certain items are shown in Orange to indicate a discrepancy, and Green to indicate a Reconciliation. Other colors used in this presentation are merely for emphasis or ease of reading.

## PHASE 1 SOFTWARE COSTS

### SOFTWARE LICENSES (RECONCILIATION TO BAFO+RFC):

The discrepancy between the Best and Final Offer Request for Clarifications and the following estimates are due to changes in the user count, software selections (CW Cloud subscription) and updated rates from CaseWare international. The original RFP listed 10 users, whereas the combined teams of the City and RPU actually require 12. Since the original issuance of the RFP, CaseWare's Prices have updated. Rates can be locked in upon contract adoption.

### SOFTWARE COST SUMMARY (AS PER BAFO+RFC):

CaseWare GASB Solution Software License	BAFO+RFC Cost	Updated Cost
<b>Annual Cost</b>		
<b>Year 1 (July 2021-December 2022) Software License Fee (Yearly License)</b>	<b>17,340</b>	<b>31,214</b>
Other Software Fees (CW Cloud Cost)*	1,440	
Administration Fees (Covered by LSL \$25/yr)**		
<b>Year 2 (January 2023-December 2023) Software License Fee (Yearly License)</b>	<b>17,340</b>	<b>21,220</b>
Other Software Fees (CW Cloud Cost)*	1,440	
Administration Fees (Covered by LSL \$25/yr)**		
<b>Year 3 (January 2024-December 2024) Software License Fee (Yearly License)</b>	<b>17,340</b>	<b>21,660</b>
Other Software Fees (CW Cloud Cost)*	1,440	1,728
Administration Fees (Covered by LSL \$25/yr)**		
<b>Grand Total for all Software License Fees (Years 1-3):</b>	<b>\$ 56,340</b>	<b>\$ 75,822</b>

\* "Other Software Fees, if Applicable" as listed in the Request for Clarifications totaled **\$4,320**

\*\* Administration Fees were not listed in original quote and will be covered by LSL as a result of this error

## SOFTWARE COST DETAIL:

The following represents current and projected pricing from CaseWare for the next 5 years. Upon request, CaseWare can negotiate the gradual rate increase depicted below and may be able to lock in certain rates.

Licensed and billed by CaseWare	QTY	Unit Price	Subtotal
<b>Year 1 (July 2021-YE December 2022)</b>			
BAFO+RFC Year 1 GASB Solution Cost	10	1,734	17,340
BAFO+RFC Year 1 CaseWare Cloud Cost	10	144	1,440
<b>YEAR 1 BAFO+RFC SOFTWARE LICENSE</b>			<b>18,780</b>
GASB Financials Solution License for Up to Five Users	2	13,005	26,010
GASB Financials Solution Additional User(s) over 5	2	2,602	5,204
CaseWare Cloud Single User License (LSL Covers Yr-1)	12	144	0
<b>UPDATED SUBTOTAL</b>			<b>31,214</b>
<b>Year 2 (January 2023-December 2023)</b>			
BAFO+RFC Year 2 GASB Solution Cost	10	1,734	17,340
BAFO+RFC Year 2 CaseWare Cloud Cost	10	144	1,440
<b>YEAR 2 BAFO+RFC SOFTWARE LICENSE</b>			<b>18,780</b>
GASB Financials Solution License for Up to Five Users	2	8,840	17,680
GASB Financials Solution Additional User(s) over 5	2	1,770	3,540
CaseWare Cloud Single User License (LSL Covers Yr-2)	12	144	0
<b>UPDATED SUBTOTAL</b>			<b>21,220</b>
<b>Year 3 (January 2024-December 2024)</b>			
BAFO+RFC Year 3 GASB Solution Cost	10	1,734	17,340
BAFO+RFC Year 3 CaseWare Cloud Cost	10	144	1,440
<b>YEAR 3 BAFO+RFC SOFTWARE LICENSE</b>			<b>18,780</b>
GASB Financials Solution License for Up to Five Users	2	9,020	18,040
GASB Financials Solution Additional User(s) over 5	2	1,810	3,620
CaseWare Cloud Single User License	12	144	1,728
<b>UPDATED SUBTOTAL</b>			<b>23,388</b>
<b>Year 4 (January 2025-December 2025)</b>			
<b>BAFO+RFC Year 4 Combined Cost</b>			<b>Not Listed</b>
GASB Financials Solution License for Up to Five Users	2	9,290	18,580
GASB Financials Solution Additional User(s) over 5	2	1,864	3,728
CaseWare Cloud Single User License	12	144	1,728
<b>UPDATED SUBTOTAL</b>			<b>24,036</b>
<b>Year 5 (January 2026-December 2026)</b>			
<b>BAFO+RFC Year 5 Combined Cost</b>			<b>Not Listed</b>
GASB Financials Solution License for Up to Five Users	2	9,569	19,138
GASB Financials Solution Additional User(s) over 5	2	1,864	3,728
CaseWare Cloud Single User License	12	144	1,728
<b>UPDATED SUBTOTAL</b>			<b>24,594</b>

## PHASE 1 PROFESSIONAL SERVICES

### “WEB-BASED”

#### IMPLEMENTATION SERVICES (RECONCILIATION TO BAFO+RFC):

CaseWare GASB Template Implementation	Payment Type	Cost
<b>City ACFR</b>		
<b>Implementation Services</b>	Fixed Fee	15,500
<b>Premium Options for Implementation Including:</b>		
<ul style="list-style-type: none"> <li>• Custom Style Sheet</li> <li>• Data Entry</li> <li>• Custom MD&amp;A Features</li> <li>• Custom Note Content</li> <li>• Government-Wide Reconciliation Methodology</li> <li>• Cashflow Worksheet Consulting</li> </ul>	Fixed Fee	21,600
<b>Support Services (approx. 40 hours)</b>	Estimate	6,000
<b>Virtual Training (estimated cost based on 10 attendees)</b>	Estimate	6,000
<b>SUBTOTAL:</b>		<b>\$ 49,100</b>

CaseWare GASB Template Implementation	Payment Type	Cost
<b>RPU ACFR</b>		
<b>Implementation Services</b>	Fixed Fee	15,500
<b>Premium Options for Implementation Including:</b>		
<ul style="list-style-type: none"> <li>• Custom Style Sheet</li> <li>• Data Entry</li> <li>• Custom MD&amp;A Features</li> <li>• Cashflow Worksheet Consulting</li> </ul>	Fixed Fee	15,500
<b>Support Services (approx. 40 hours)</b>	Estimate	6,000
<b>Virtual Training (estimated cost based on 10 attendees)</b>	Estimate	6,000
<b>SUBTOTAL:</b>		<b>\$ 43,000</b>

Additional (Optional) Monthly/Quarterly Report Templates	Payment Type	Cost
City Monthly Reports		1,500
RPU Monthly Reports	Recommended	1,500
RPU Quarterly Reports	Purchase Order	3,000
<b>SUBTOTAL:</b>		<b>\$ 6,000</b>

## TRAINING (RECONCILIATION TO BAFO+RFC):

If the City and RPU ACFR Teams share a session with a total of 12 attendees, the cost is lower than BAFO for training:

Topic	CPE	Unit	Delivery	QTY	Unit Price	Subtotal
City & RPU ACFR Teams						
Working Papers Fundamentals	12	Single Attendee Registration	Open Registration	0	450	0
		Up to 8 Attendees	Custom Web-Based	1	3,600	3,600
		Additional Attendee(s) over 8		4	443	886
GASB Template Fundamentals	12	Single Attendee Registration	Open Registration	0	450	0
		Up to 8 Attendees	Custom Web-Based	1	3,600	3,600
		Additional Attendee(s) over 8		4	443	886
SUBTOTAL:						8,972
BAFO COST						12,000
DIFFERENCE						-3,028

## RECOMMENDED SUPPORT SERVICES

### (OPTIONAL/ ADDITIONAL TO SUPPORT ESTIMATED IN BAFO+RFC):

Please see the attached Engagement Letter for Hourly Rates and annual engagement details. *In the Request for Clarifications, these figures were listed as "Pay-as-you-use Support" and were not yet estimated.*

Supported Project	Payment Terms	Cost
<b>City ACFR</b>		
<b>Implementation (Go-Live or Year 1) Support</b>		
Hourly Unlimited Scope Support <b>Estimated 20 Hours</b> <i>Based on Discounted Average Staff Rates of \$150/ hour</i>	Recommended Purchase Order <i>Unused Hours to Carry over into future Years.</i> <i>Carry overs expire in 3 years.</i>	3,000
Years 2-5 Subsequent	Pay-as-you-go	TBD
<b>SUBTOTAL:</b>		<b>\$ 3,000</b>

Supported Project	Payment Terms	Cost
<b>RPU ACFR</b>		
<b>Implementation (Go-Live or Year 1) Support</b>		
Hourly Unlimited Scope Support <b>Estimated 20 Hours</b> <i>Based on Discounted Average Staff Rates of \$150/ hour</i>	Recommended Purchase Order <i>Unused Hours to Carry over into future Years.</i> <i>Carry overs expire in 3 years.</i>	3,000
Years 2-5 Subsequent	Pay-as-you-go	TBD
<b>SUBTOTAL:</b>		<b>\$ 3,000</b>

## PHASE 1 - YEAR 1 TOTALS (RECONCILIATION TO BAFO+RFC):

Licensed and billed by CaseWare	Subtotal
<b>Phase 1 – Year 1</b>	
Implementation Services - City	49,100
Implementation Services – RPU	43,000
Good Faith Discount on Phase 1 Services	-9,400
GRAND TOTAL PROFESSIONAL SERVICES COSTS (YEAR 1) AS PER BAFO+RFC	82,700
GRAND TOTAL SOFTWARE COSTS (YEAR 1) AS PER BAFO+RFC	18,780
GRAND TOTAL “WEB-BASED” COSTS (YEAR 1) AS PER BAFO+RFC (CORRECTED)	101,480
GRAND TOTAL “WEB-BASED” COSTS (YEAR 1) AS PER BAFO+RFC (AS LISTED)	99,350
This total was incorrectly listed. This appears to be to cost of 1-3 years of professional services plus 10 user licenses at the incorrect software license rate of \$1,665/ user (\$16,650 subtotal).	
(Optional) Monthly/Quarterly Report Templates	6,000
(Optional) Training Discount for Shared Session and 12 Attendees	-3,028
(Pending Approval) Support – City	3,000
(Pending Approval) Support – RPU	3,000
(Pending Approval) Software Cost Difference	12,434
GRAND TOTAL “WEB-BASED” COSTS (YEAR 1) WITH UPDATES AND OPTIONS	\$ 122,886

## PHASE 1 - YEARS 1-3 TOTALS (RECONCILIATION TO BAFO+RFC):

Licensed and billed by CaseWare	Subtotal
<b>Phase 1 – Years 1-3</b>	
Implementation Services - City	49,100
Implementation Services – RPU	43,000
Good Faith Discount on Phase 1 Services	-9,400
Pay-as-you-use Support - City (Determined during Negotiations listed below)	.
Pay-as-you-use Support - RPU (Determined during Negotiations listed below)	.
GRAND TOTAL PROFESSIONAL SERVICES COSTS (YEARS 1-3) AS PER BAFO+RFC	82,700
GRAND TOTAL SOFTWARE COSTS (YEARS 1-3) AS PER BAFO+RFC	56,340
GRAND TOTAL “WEB-BASED” COSTS (YEAR 1) AS PER BAFO+RFC	139,040
(Optional) Monthly/Quarterly Report Templates	6,000
(Optional) Training Discount for Shared Session and 12 Attendees	-3,028
(Optional) Support – City	3,000
(Optional) Support – RPU	3,000
Software Cost Difference for additional licenses and subscription months	19,482
GRAND TOTAL “WEB-BASED” COSTS (YEARS 1-3) WITH UPDATES AND OPTIONS	\$ 167,494

## (ADDITIONAL/OPTIONAL REPORT TEMPLATES) PHASE 2 (ACFR GO-LIVE AND ADDITIONAL REPORTING TEMPLATES - INCLUDING PAFR AS PER BAFO+RFC)

### IMPLEMENTATION SERVICES:

Additional Report Templates	Payment Type	Cost
Special Transit Fund		6,000
4 NTD Reports		3,500
City PFA		3,000
Single Audit SEFA	Recommended	1,500
Successor Agency Redevelopment Agency	Purchase Order	3,000
PAFR with Custom Style Sheet		7,200
State Controller's Report – City		4,000
State Controller's Report – RMIC, PFA, ST (QTY 3)		6,000
5-Year Forecast CaseWare Connector		
<i>Based on the complexity and remaining software evaluations, the expectation is that the cost to implement and the available options will be quite different at the time of project commencement</i>	Estimate Terms TBD	10,000
<b>SUBTOTAL:</b>		<b>\$ 44,200</b>

### TRAINING

Any training of new staff between Phase 1 and Phase 2 will be bid at current LSL training rates.

### SUPPORT SERVICES:

Please see the attached Engagement Letter for Hourly Rates and annual engagement details.

Supported Project	Payment Terms	Cost
<b>Additional Report Automations</b>		
<b>Implementation (Go-Live or Year 1) Support</b>		
Hourly Unlimited Scope Support	Recommended Purchase Order	
<b>Estimated 30 Hours</b>	<i>Unused Hours to Carry over into future Years.</i>	4,500
<i>Based on Discounted Average Staff Rates of \$150/ hour</i>	<i>Carry overs expire in 3 years.</i>	
Years 2-5 Subsequent	Pay-as-you-go	TBD
<b>SUBTOTAL:</b>		<b>\$ 4,500</b>

Supported Project	Payment Terms	Cost
<b>5-Year Forecast</b>		
<b>Implementation (Go-Live or Year 1) Support</b>		
Hourly Unlimited Scope Support	Pay-as-you-go	TBD
<b>Estimated TBD</b>		
Years 2-5 Subsequent	Pay-as-you-go	TBD
<b>SUBTOTAL:</b>		<b>TBD</b>



## SOFTWARE LICENSES

Software purchased from CaseWare as part of Phase 1 can be used for this phase. Additional Software Tool licensed by LSL will be billed according to the following table. Based on the complexity of the reports, the first year of the software license is broken down by the 4 report sources. City, RMIC, PFA, and Special Transit.

Licensed and billed by LSL	QTY	Unit Price	Subtotal
Year 1			
		Not Implementing Until Phase 2	
Year 2			
City State Controller's Report First Year	1	2,000	2,000
Special Unit State Controller's Report First Year	3	1,000	3,000
Year 3			
State Controller's Report – City Renewal	1	1,500	1,500
State Controller's Report - RMIC, PFA, ST	3	500	1,500
Year 4			
State Controller's Report – City Renewal	1	1,500	1,500
State Controller's Report - RMIC, PFA, ST	3	500	1,500
Year 5			
State Controller's Report – City Renewal	1	1,500	1,500
State Controller's Report - RMIC, PFA, ST	3	500	1,500

## YEAR 2 TOTALS:

Licensed and billed by CaseWare	Subtotal
<b>Phase 1</b>	
Software – CaseWare Year 2	21,220
<b>Phase 2</b>	
Implementation Services	44,200
Training	0
Support – Financial Reports	4,500
Support – 5-Year Forecast (Subtotal TBD)	
Software – Add On	5,000
<b>SUBTOTAL</b>	<b>\$ 74,920</b>

## (ADDITIONAL/OPTIONAL REPORT TEMPLATES) PHASE 3 (BUDGET)

The goal for this phase would be to replicate the City's Budget Book in CaseWare and train the relevant team members.

### IMPLEMENTATION SERVICES:

CaseWare GASB Template	Payment Type	Cost
<b>City Budget Book</b>		
Implementation Services	Fixed Fee	60,000
<b>Implementation Cost to be Re-evaluated:</b> <i>Based on the anticipated major changes to the City's Budget Book, the expectation is that the cost to implement and the available options will be quite different at the time of project commencement</i>	Adjustment	TBD
<b>SUBTOTAL:</b>		<b>\$ 60,000</b>

### TRAINING:

Topic	CPE	Unit	Delivery	QTY	Unit Price	Subtotal
<b>Budget Team</b>						
Working Papers Fundamentals	12	Single Attendee Registration	Open Registration	0	450	
		Up to 8 Attendees	Custom Web-Based	1	3,600	3,600
		Additional Attendee(s) over 8		0	443	0
GASB Template	12	Single Attendee Registration	Open Registration	0	450	
		Up to 8 Attendees	Custom Web-Based	1	3,600	3,600
		Additional Attendee(s) over 8		0	443	0
<b>SUBTOTAL:</b>						<b>\$ 7,400</b>

### SUPPORT SERVICES:

Supported Project	Payment Terms	Cost
<b>Budget Book</b>		
<b>Implementation (Go-Live or Year 1) Support</b> Hourly Unlimited Scope Support <b>Estimated 60 Hours</b> <i>Based on Updated Average Staff Rates of \$175/ hour</i>	Recommended Purchase Order <i>Unused Hours to Carry over into future Years.</i> <i>Carry overs expire in 3 years.</i>	10,500
Years 2-5 Subsequent	Pay-as-you-go	TBD
<b>SUBTOTAL:</b>		<b>\$ 10,500</b>

## SOFTWARE LICENSES

The following represents current and projected pricing from CaseWare for the next 5 years.

Licensed and billed by CaseWare	QTY	Unit Price	Subtotal
Year 1			
		Not Implementing until Phase 3	
Year 2 (Estimate)			
		Not Implementing until Phase 3	
Year 3 (Estimate)			
GASB Financials Solution License for Up to Five Users	1	9,020	9,020
GASB Financials Solution Additional User(s) over 5	1	1,810	1,810
First year of CaseWare Cloud covered by LSL	6	144	0
SUBTOTAL			10,830
Year 4 (Estimate)			
GASB Financials Solution License for Up to Five Users	1	9,290	9,290
GASB Financials Solution Additional User(s) over 5	1	1,864	1,864
CaseWare Cloud per user pricing	6	144	864
SUBTOTAL			12,018
Year 5 (Estimate)			
GASB Financials Solution License for Up to Five Users	1	9,569	9,569
GASB Financials Solution Additional User(s) over 5	1	1,864	1,864
CaseWare Cloud per user pricing	6	144	864
SUBTOTAL			12,297

## YEAR 3 TOTALS:

Licensed and billed by CaseWare	Subtotal
<b>Phase 1</b>	
Software renewal – CaseWare for ACFR Teams	23,388
<b>Phase 2</b>	
Software renewal – State Controller's Report Tools	3,000
<b>Phase 3</b>	
Implementation Services	60,000
Training	7,400
Support – Budget Book	10,500
Software – CaseWare for Budget Teams	10,830
<b>SUBTOTAL</b>	<b>\$ 115,118</b>

## YEARS 4-5, ALL PHASES

### YEAR 4 TOTALS:

Licensed and billed by CaseWare	Subtotal
<b>Phase 1</b>	
Software renewal – CaseWare for ACFR Teams	24,036
<b>Phase 2</b>	
Software renewal – State Controller's Report Tools	3,000
<b>Phase 3</b>	
Software – CaseWare for Budget Teams	12,018
<b>SUBTOTAL</b>	<b>\$ 39,054</b>

### YEAR 5 TOTALS:

Licensed and billed by CaseWare	Subtotal
<b>Phase 1</b>	
Software renewal – CaseWare for ACFR Teams	24,594
<b>Phase 2</b>	
Software renewal – State Controller's Report Tools	3,000
<b>Phase 3</b>	
Software – CaseWare for Budget Teams	12,297
<b>SUBTOTAL</b>	<b>\$ 39,891</b>

## GRAND TOTAL EXCERCISING ALL OPTIONS INCLUDING LICENSING FEES (ALL YEARS ALL PHASES):

Licensed and billed by CaseWare	Subtotal
<b>Year 1 - Phase 1 (July 2021-December 2022)</b>	
Year 1 Grand Total	122,886
<b>Year 2 - Phase 1 &amp; 2 (January 2023-December 2023)</b>	
Year 2 Grand Total	74,920
<b>Year 3 – Phase 1, 2, &amp; 3 (January 2024-December 2024)</b>	
Year 3 Grand Total	115,118
<b>Year 4 – Phase 1, 2, &amp; 3 (January 2025-December 2025)</b>	
Year 4 Grand Total	39,054
<b>Year 5 – Phase 1, 2, &amp; 3 (January 2026-December 2026)</b>	
Year 5 Grand Total	39,891
<b>GRAND TOTAL, ALL PHASES, ALL YEARS, ALL OPTIONS, ALL LICENSING</b>	<b>\$ 391,869</b>

## HOURLY SERVICES

Any work outside the scope of this quote shall be covered under an hourly engagement contract with the following Hourly Rates:

Project Phase or Timeline		Staff Rates Breakdown
Year 1		
	Managing Principal	185
	Technical Manager	150
	Senior Accountant & Programmer	145
	Support Manger & Programmer	110
	Go-Live Bundle Flat Rate	150
Year 2		
		Same as Year 1
Year 3		
	Highest	194
	Lowest	90
	Go-Live Bundle Flat Rate	175
Year 4		
	Highest	203
	Lowest	94
	Average Rate	180
Year 5		
	Highest	213
	Lowest	98
	Average Rate	185

# PAYMENT MILESTONES

In response to Negotiations for RFP No. 2015: ACFR Software Solution

## TERM SUMMARY:

Project Segment	Dates	Total Cost
<b>Initial term (Years 1-3)</b>		
RFP Proposal Contents	July 20, 2021-December 31, 2024	139,040
Phase 1 Options	Same as above	28,454
Phase 2 Options	Same as above	56,700
Phase 3 Options	Same as above	88,730
<b>SUBTOTAL:</b>		<b>312,924</b>
<b>Optional Years – Licensing Fees</b>		
Optional Year 4	January 1-December 31, 2025	39,054
Optional Year 5	January 1-December 31, 2026	39,891
<b>SUBTOTAL:</b>		<b>78,945</b>
<b>GRAND TOTAL:</b>		<b>\$391,869</b>

## INITIAL TERM (YEARS 1-3):

ID	Milestone Title	Delivery Confirmation	Cost
<b>RFP PROPOSAL (YEARS 1-3)</b>			
ACY1	First 18 Months Software Purchase	Licenses obtained and software installed on all necessary workstations for training and project work	18,780
ACT2	Kickoff Training	Training Complete	6,000
CT25	City ACFR 25%	When deemed 25% complete by consultant & client	6,925
CT50	City ACFR 50%	When deemed 50% complete by consultant & client	6,925
CT75	City ACFR 75%	When deemed 75% complete by consultant & client	6,925
CTHO	City ACFR Handoff	At File Handoff	6,925
CTGL	City ACFR Support Services	Support phase commencement	6,000
RU25	RPU ACFR 25%	When deemed 25% complete by consultant & client	7,750
RU50	RPU ACFR 50%	When deemed 50% complete by consultant & client	7,750
RU75	RPU ACFR 75%	When deemed 75% complete by consultant & client	7,750
RUHO	RPU ACFR Handoff	At File Handoff	7,750
RUGL	RPU ACFR Support Services	Support phase commencement	6,000
ACT3	Handoff Training	Training Complete	6,000
ACY2	Year 2 Software Purchase	Upon Year 2 Software Renewal	18,780
ACY3	Year 3 Software Purchase	Upon Year 3 Software Renewal	18,780
<b>RFP PROPOSAL TOTAL:</b>			<b>139,040</b>

ID	Milestone Title	Delivery Confirmation	Cost
<b>PHASE 1 OPTIONS (YEARS 1-3)</b>			
ACY1a	First 18 Months Software Cost Amendment	When paying the corresponding cost in RFP milestones	12,434
ACY2a	Year 2 Software Cost Amendment	When paying the corresponding cost in RFP milestones	2,440
ACY3a	Year 3 Software Cost Amendment	When paying the corresponding cost in RFP milestones	4,608
ACMQ	Monthly/Quarterly Reports	Built out and approved by consultant for client handoff and finishing touches	6,000
RUGLa	RPU additional go-live support	When paying the corresponding cost in RFP milestones	3,000
CTGLa	City additional go-live support	When paying the corresponding cost in RFP milestones	3,000
ACT1a	Training Discount for Kickoff	When paying the corresponding cost in RFP milestones	-1,514
ACT2a	Training Discount for Handoff	When paying the corresponding cost in RFP milestones	-1,514
<b>PHASE 1 OPTIONS TOTAL:</b>			<b>28,454</b>

Please Note the Milestone IDs for the cost amendments match the milestones from the RFP that are being amended.

ID	Milestone Title	Delivery Confirmation	Cost
<b>PHASE 2 OPTIONS (YEARS 1-3)</b>			
STRF	Special Transit Fund	*deemed complete by consultant & client	6,000
4NTD	4 NTD Reports	*deemed complete by consultant & client	3,500
CPFA	City PFA	*deemed complete by consultant & client	3,000
SEFA	Single Audit SEFA	*deemed complete by consultant & client	1,500
SARA	Successor Agency Redevelopment Agency	*deemed complete by consultant & client	3,000
PAFR	PAFR with Custom Style Sheet	*deemed complete by consultant & client	7,200
CTSCR	State Controller's Report Build-City	*deemed complete by consultant & client	4,000
RSSCR	State Controller's Report Build -RMIC, PFA, ST	*deemed complete by consultant & client	6,000
5Y4C	5-Year Forecast CaseWare Connector	*deemed complete by consultant & client	10,000
P2GL	Phase 2 (Year 2) Prepaid Support Bundle	**At Support Commencement (Additional paid out of contingency)	4,500
SCR2	State Controllers Add-on (during year 2)	Upon receipt of addon tool by the client during year 2	5,000
SCR3	State Controllers Add-on (during year 3)	Upon renewal of addon tool by the client during year 3	3,000
<b>PHASE 2 OPTIONS TOTAL:</b>			<b>56,700</b>

\* Consultant can bill before completion due to delay in client deliverables

\*\* Additional Hours required for years 2-5 will be billed monthly on a pay-as-you-go basis. See rates in the "Hourly Services" Section. This will be paid out of contingency funds.

ID	Milestone Title	Delivery Confirmation	Cost
<b>PHASE 3 OPTIONS (YEARS 1-3)</b>			
BBY3	Budget Team CW Licenses (During Year 3)	<i>Licenses obtained and software installed on all necessary workstations for training and project work</i>	10,830
BBT1	Budget Team Kickoff Training	<i>At Training Completion</i>	3,700
BB25	City Budget Book Build 25%	<i>When deemed 25% complete by consultant &amp; client</i>	15,000
BB50	City Budget Book Build 50%	<i>When deemed 50% complete by consultant &amp; client</i>	15,000
BB75	City Budget Book Build 75%	<i>When deemed 75% complete by consultant &amp; client</i>	15,000
BBHA	City Budget Book Build Handoff	<i>When deemed 100% complete by consultant &amp; client</i>	15,000
BBT2	Budget Team Handoff Training	<i>At Training Completion</i>	3,700
BBFT	Budget Book Support Services	<i>At Support Commencement</i>	10,500
<b>PHASE 3 OPTIONS TOTAL:</b>			<b>88,730</b>

### OPTIONAL YEARS (4-5) LICENSING FEES:

ID	Milestone Title	Delivery Confirmation	Cost
<b>OPTIONAL YEARS – LICENSING FEES</b>			
ACY4	Year 4 Software Renewal for ACFR Teams	<i>Upon Year 4 Software Renewal</i>	27,036
BBY4	Year 4 Software Renewal for Budget Team	<i>Upon Year 4 Software Renewal</i>	12,018
<b>SUBTOTAL:</b>			<b>39,054</b>
ACY5	Year 5 Software Renewal for ACFR Teams	<i>Upon Year 5 Software Renewal</i>	27,594
BBY5	Year 5 Software Renewal for Budget Team	<i>Upon Year 5 Software Renewal</i>	12,297
<b>SUBTOTAL:</b>			<b>39,891</b>
<b>OPTIONAL YEARS TOTAL:</b>			<b>78,945</b>



## ADDITIONAL SUPPORT:

Any work outside the scope of this quote shall be covered under an hourly engagement contract with the following Hourly Rates:

Project Phase or Timeline		Staff Rates Breakdown
Year 1		
	Managing Principal	185
	Technical Manager	150
	Senior Accountant & Programmer	145
	Support Manger & Programmer	110
	Go-Live Bundle Flat Rate	150
Year 2		
		Same as Year 1
Year 3		
	Highest	194
	Lowest	90
	Go-Live Bundle Flat Rate	175
Year 4		
	Highest	203
	Lowest	94
	Average Rate	180
Year 5		
	Highest	213
	Lowest	98
	Average Rate	185

## **EXHIBIT “C”**

### **KEY PERSONNEL**

#### **Management**

Gail Gray, CPA (Partner - Technology Consulting Services)

Gail will be responsible for overseeing the implementation engagement, supervising staff, and maintaining client communication throughout the engagement. She co-developed the GASB template for ACFR and Budget reporting with CaseWare. Currently, Gail and her team provide all the GASB content for the updates of CaseWare’s GASB template. She has worked with over 100 governmental entities across the United States to train their teams on governmental accounting standards, GASB reporting for both ACFR and Budget books. Gail serves on GFOA’s ACFR and Budget book review programs for the Certificate of excellence in reporting. Gail is a CaseWare Authorized Instructor, a LeaseQuery Certified Implementer, and automation expert, and she provides official training on-demand and year-round.

Matt Freitas, CPA Candidate (Manager)

Matthew Freitas has been working with our firm for 11 years now as an accounting manager. He has passed his CPA exam and all experience to be certified in California and Texas. He obtained his B.S. in Computer Science with an emphasis in web programming. He then received an undergraduate certificate in accounting from the University of Santa Barbara. He is an active member of AICPA and the GFOA.

Apart from his work with tax and accounting for our small businesses, non-profits, and governmental clients, Matt serves as the project manager and specialist for our software customization, implementation, training, and support projects. He is actively involved in creating the methodology for our implementations and has been instrumental in our business development since 2010. He has been on the development team for our collaborations with our software partners and other organizations such as the XBRL.US on the GASB taxonomy for governmental reporting standards.

### **Template and Support Staff**

Our template and support staff have been working on CaseWare Implementations now for over five years.

#### **Ruan Strydom**

Ruan is an invaluable part of our support and development team. He is our champion of creative solutions for our most complex programming and accounting requests. His experience with CaseWare in South Africa also gives him experience with international reporting standards and best practices. He is actively involved in and has experience with XBRL.

#### **Jordan Smith**

Jordan is our lead programmer and technical support manager. He is also our lead builder for our customization projects. He is always up to date with the status of all our clients. He knows where everyone's projects are and what they need. We rely on his commitment to our clients and his consistency at work.

#### **Natalie Freitas**

Natalie works collaboratively with management to devise our marketing strategies and deploy them with the creative, web, and logistic tools at her disposal. Natalie wears many hats and you'll catch her doing things like customer service, invoicing, and training coordination as well. Natalie will also provide administrative support for all our clients by providing them with updated contracts, RFP Responses, updates, and all scheduling needs.