

**CITY OF SEAL BEACH**

**REQUEST FOR PROPOSAL  
FOR  
FINANCIAL AND SPECIAL AUDIT SERVICES**

**RFP Release Date: January 13, 2025  
Proposal Submittal Due Date: February 10, 2025 Time: 2:00pm**

**Due Date for Receipt of Written Questions Regarding this RFP: January 21, 2025**

**Project Manager: Tracey Yonemura, Financial Analyst  
Finance Department, [Tyonemura@sealbeachca.gov](mailto:Tyonemura@sealbeachca.gov)**

**CITY OF SEAL BEACH  
REQUEST FOR PROPOSAL  
PROFESSIONAL AUDITING SERVICES**

**A. INTRODUCTION**

The City of Seal Beach (City) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for each of the three (3) fiscal years beginning with Fiscal Year July 1, 2024 through June 30, 2025, with the option of auditing the City's financial statements for each of the two (2) subsequent fiscal years, in addition to performing other financial audits and reviews as specified in the scope of work. These audits are to be performed by the selected auditor in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States, the provisions of federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations* or latest versions thereof. The financial statements are prepared with the latest Governmental Accounting Standard Board (GASB) pronouncements, as required.

It is the City of Seal Beach's policy to assure nondiscrimination in any contract entered pursuant to this RFP. In the consideration of an award under this RFP, the City will not discriminate against any firm on the grounds of race, color, national origin, or sex, or any other basis prohibited by Title VII of the Civil Rights Act of 1964 or any other provision of federal or state laws.

Proposal Due Date

Any qualified firm that would like to be considered for this engagement must submit five (5) copies of their response (Proposal) to this Request for Proposal (RFP) in writing **no later than 2:00 p.m., February 10, 2025**, at the following address **only**:

Attn: City Clerk  
City of Seal Beach  
211 8th Street  
Seal Beach, CA 90740

**Proposals must be submitted in accordance with the requirements set forth in Section F of this RFP. Each proposer bears sole responsibility to ensure that their proposal is submitted to and received by the City prior to the deadline, and that their proposal complies with all of the requirements of this RFP.**

Proposals submitted will be reviewed and evaluated by City staff to determine which firm best meets the needs of the City. Oral interviews will be held for the top firms submitting proposals, as deemed necessary by the City in its sole discretion.

Property of the City

All proposals, upon submittal, shall become the property of the City of Seal Beach, and the City reserves the right to retain all proposals submitted and to use ideas in a proposal regardless of whether that proposal is selected. Additionally, all property rights, including but not limited to copyright and publication rights of all information, reports and other documents and writings produced by the selected consultant in connection with services performed under this Agreement shall be vested in the City.

Public Records - Notice Related to Proprietary/Confidential Data or Information

All submitted proposals shall become public records subject to disclosure under the California Public Records Act. DO NOT SUBMIT CONFIDENTIAL INFORMATION. Notices of confidentiality, “trade secrets”, “do not disclose”, and similar notifications will be disregarded. Notwithstanding the foregoing, no proposal will be disclosed unless and until (i) a written recommendation of a Proposer has been made to the City Council; (ii) all proposals are rejected; (iii) a contract is awarded; or, (iv) this RFP process is terminated.

Pre-Proposal Meeting

No formal Pre-Proposal Meeting will be held.

Contract Award

Submission of a proposal indicates acceptance by the proposer of the terms and conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

A contract may be awarded to the successful Proposer for the services by the City Council, as applicable, based upon the criteria reflected in this RFP. The City reserves the right to execute, or not execute, an Agreement with the successful Proposer, or to reject all proposals and to terminate and cancel this procurement, when it is determined to be in the City's best interests. This RFP does not commit the City to award a contract; and no Proposal or Agreement shall be considered binding upon the City until the execution of the Agreement by the City and the selected firm, and all conditions of the Agreement and/or RFP have been met.

If an award is made, the proposal of the selected auditor shall be incorporated as part of the agreement. A sample agreement is included with this RFP for information as Attachment A. The City reserves the right to modify or revise the agreement as deemed necessary in the best interests of the City.

Tentative Calendar for Procurement Process:\*

Issuance of Request for Proposals	January 13, 2025
Deadline for Submittal of Questions:	January 21, 2025
Due Date for Proposals:	February 10, 2025
Interview with Finalists:	Week of March 3, 2025
Contract Negotiation:	Week of March 10, 2025
Award of contract by City Council:	March 24, 2025

(\*All events and dates are subject to change at the City’s sole discretion.)

**B. RIGHT OF REJECTION OR WAIVER**

The City of Seal Beach reserves the right to accept or reject any or all proposals, and to waive any deviations, irregularities, defects or informalities in the RFP, any exhibit to the RFP, the RFP requirements, the RFP procedures, the selection process, or any proposal, or to cancel or terminate this procurement at any time, to the extent permitted by law, and to make awards in all or part in the best interest of the City.

**C. GENERAL INFORMATION**

1. The City of Seal Beach

The City of Seal Beach is a Charter City in the State of California located in northern Orange County. The City was incorporated on October 27, 1915, and operates under a Council-Manager form of government. The City is a coastal community consisting of approximately 13.23 square miles with an estimated population of 24,647. The City is bordered by Garden Grove, Long Beach, Los Alamitos, Huntington Beach, Westminster, and the Pacific Ocean.

2. Organizational Structure

The City has a Council-Manager form of government with five members on the City Council. The City has approximately 115 full-time employees and 35.52 part-time employees. During the summer months, additional part-time staff are employed by the City's recreation and lifeguard departments.

Seal Beach operates as a “full-service city”, primarily utilizing contracts with other governmental entities, private firms, and individuals to provide the supplemental municipal services to the community. City services include police, water, sewer, road maintenance, planning, building, and engineering services. Fire protection is provided by the Orange County Fire Authority.

The City's principal revenue sources are property taxes, sales & use taxes, and utility users tax.

The City’s Fiscal Year 2024-25 adopted budget for all funds combined is approximately \$95 million (including transfers between funds, internal services,

capital improvements, and debt service), including \$43 million in the General Fund.

3. Fund Structure

The City currently uses the following fund types:

- **1 General Fund**
- 21 Special Revenue Funds
- 1 Debt Service
- 1 Capital Project Fund
- 4 Proprietary Funds
- 2 Internal Service Fund
- 5 Special District Funds

4. Accounting System

The City's financial records are maintained by the Finance Department. The accounting records are computerized on a PC network utilizing Tyler INCODE software applications. The City currently has multiple bank accounts through which most of the banking activities flow. The City issues approximately 5,000 checks, excluding payroll, per year. There are no known exceptions to accounting principles generally accepted in the United States or other material accounting problems.

Copies of the City's annual comprehensive financial report (ACFR) are available upon request at City Hall at the following address or can be viewed on the City's website [www.sealbeachca.gov](http://www.sealbeachca.gov):

City of Seal Beach  
211 8th Street  
Seal Beach, CA 90740

5. Name of Contact Persons/Location of Offices

The auditor's principal contact with the City will be Barbara Arenado, Director of Finance/City Treasurer, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor. Reasonable workspace will be provided along with access to a telephone line, photocopying facilities, wi-fi and facsimile machines.

6. Finance Department and Clerical Assistance

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

#### **D. SCOPE OF AUDITING AND ACCOUNTING SERVICES**

The scope of the audit shall include all funds and accounts of the City.

1. The auditors shall accept the responsibility of expressing an opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City. If a Single Audit is required, the auditors shall provide opinions as to the compliance with the Federal Single Audit Act in accordance with the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.
2. The fiscal periods to be covered by the audit are July 1, 2024 through June 30, 2025; July 1, 2025 through June 30, 2026; and July 1, 2026 through June 30, 2027. The City shall have the option(s), at its sole discretion, to renew the Agreement for two additional one-year terms to include the audit of fiscal years July 1, 2028 through June 30, 2029, and July 1, 2029 through June 30, 2030.
3. The auditor will prepare all financial statements including the City's Annual Comprehensive Financial Report (ACFR) in accordance with the requirements of Governmental Accounting Standards Board and the *Governmental Accounting, Auditing and Financial Reporting (GAAFR)*. In addition, the auditor will prepare the GASB 34 entries and reconciliations (or any superseding/amending pronouncements). The transmittal letter, management's discussion and analysis, and statistical sections will be prepared by the City. The City submits its ACFR under the Government Finance Officers Association's (GFOA) "Certificate of Achievement for Excellence in Financial Reporting" award program and has received the award for twenty-one consecutive years.
4. During the term of the agreement, it is expected that the auditor shall keep the City informed of new guidance and developments that may affect municipal accounting and finance.
5. Meetings between the auditor and the City shall be conducted at the beginning of the audit, prior to the commencement of fieldwork and after the first draft of the financial statements have been prepared. The meetings shall be attended by the auditor's engagement partner or designated professional staff and City staff.
6. The auditor shall evaluate the adequacy of the systems of internal control, accounting procedures and other significant observations. If material weaknesses are noted, appropriate recommendations shall be provided and reviewed with management and included in a separate management letter. This letter should address areas where the City's operations could be impaired or controls could be strengthened. Upon the completion of the interim fieldwork, any deficiencies in

the internal control system shall be communicated to the Director of Finance/City Treasurer and the City Manager.

7. The auditor shall also provide assistance with year-end closing entries, complete journal entries, and assist with the implementation of new, suspended and/or amended GASB pronouncements.
8. In addition to the audit reports and the management letter, the auditor shall perform certain GANN Appropriations Limit agreed-upon procedures and render a letter annually to the City regarding compliance.
9. The auditor shall also provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not include any task that entails significant research or a formal report.
10. The auditor should be available to City management, and to members of the City Council at regular or special City Council meetings, to answer questions related to audit findings.
11. The auditor shall prepare the ACFR document. The auditor shall provide the final financial statements and reports on or before the listed due dates in the following forms: **One (1) bound original; one (1) unbound copy; one (1) PDF of each;** and the following **additional bound copies:**

<u>Type of Document</u>	<u>No. of Copies</u>
a. Comprehensive Annual Financial Report	25
b. Single Audit Report	10
c. Management Letter	15
d. GANN Appropriations Limit Report	15

12. Management is not aware of any unusual circumstances warranting an extended scope; however, if in due course of the examination evidence of such circumstances occurs, the auditor shall provide the City with all ascertainable facts relative to such circumstances together with an estimate of additional services required and the additional cost thereof in order that proper contract modifications may be completed before commencing with such extended examination.
13. The City acknowledges that the City's management has the responsibility for the reliability, accuracy, and completeness of financial information provided to the auditor except to the extent such financial information is provided to the City by third parties.
14. Any exceptions to the City's requirements should be clearly indicated in the proposal.

## **E. COORDINATION REQUIRED**

1. All work will be coordinated by the auditor with the Finance Manager to facilitate staff scheduling and year-end closing, attendance at meetings with City staff, and attendance at City Council meetings.
2. The auditor shall provide the Director of Finance/City Treasurer and Finance Manager with periodic progress reports while performing the audit fieldwork. These reports shall identify problems encountered or foreseen, deficiencies in work being performed by City staff, disagreements over the application of accounting principles and other items that could result in a delay of the audit work or additional work.
3. Prior to commencement of work each year, both parties shall establish in writing an example format of each audit work paper and the financial statements and compliance statements to be prepared by the City.
4. All professional staff provided by the auditor will be fully qualified with the appropriate experience, and answers and guidance provided by the City will be conveyed by the auditor's executives to its senior and junior staff.

## **F. PROPOSAL AND SUBMISSION REQUIREMENTS**

1. Written Questions Deadline. Any requests for clarification or other questions concerning this RFP must be submitted to the City by 4:00 p.m. PST on January 21, 2025 in writing and sent via email to Barbara Arenado, Director of Finance/City Treasurer, [barenado@sealbeachca.gov](mailto:barenado@sealbeachca.gov). Questions submitted orally or by U.S. Mail, Federal Express, or hand delivery, will not be accepted. Postmarks will not be accepted.
2. Response to Written Questions/RFP Addendum Posted. The City will provide responses to questions submitted in the form of an Addendum to the RFP. All questions submitted, and all responses, will be posted on the City's website at [www.sealbeachca.gov/Departments/Finance](http://www.sealbeachca.gov/Departments/Finance).
  - a. Any material change to the RFP will be listed as an Addendum to the RFP and posted on the City's website at [www.sealbeachca.gov/Departments/Finance](http://www.sealbeachca.gov/Departments/Finance). Following the posting of any Addendum, additional written questions must be submitted to the City no later than two (2) calendar days after an Addendum is posted, by email to Barbara Arenado, Director of Finance/City Treasurer, [barenado@sealbeachca.gov](mailto:barenado@sealbeachca.gov). The City reserves the right to post additional addenda until the RFP closing date and time.
  - b. Any written addendum issued during the submission period of the procurement process shall become part of the RFP and shall be signed and



attached to the Proposal and made a part of the Proposal submitted. It is each proposer's responsibility to indicate acknowledgement, sign, and return each addendum with their Proposal.

- c. Interested firms and other consultants should check the City's web page daily for queries and new information and addenda concerning this RFP. It is each proposer's sole responsibility to monitor this website for possible addenda to this RFP. Failure of a proposer to retrieve addenda from this site shall not relieve the proposer of the requirements contained therein. Additionally, failure of a proposer to return signed addenda, when required, may be cause for rejection of the proposal. The City reserves the right to reject any Proposals deemed to be non-responsive.
3. **Proposal Due Date.** As outlined above in Section (A), five (5) copies of proposals must be submitted to and received by the City ***by 2:00 p.m. on February 10, 2025.*** Proposals shall be submitted by U.S. Mail (Overnight Mail), Federal Express, or hand-delivery **only**. No emailed submissions or oral submissions will be accepted. Postmarks will not be accepted. Proposals submitted to any address or person other than to the person outlined in Section A, above, shall not be accepted. Any proposals submitted after the deadline are considered non-responsive, and shall not be accepted, and shall be returned unopened.
4. **Conflict of Interest.** A proposer, by responding to this RFP, certifies that to the best of their knowledge or belief, no elected or appointed official or employee of the City is financially interested, directly or indirectly, in the purchase of services specified in this RFP. Furthermore, the proposer represents and warrants to the City that it has not employed or retained any person employed, or contracted agency, by the City to solicit or secure the award of the Agreement and that it has not offered to pay, paid, or agreed to pay any person any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of the Agreement.
5. **City Request for Supplemental Information.** If the evaluation of any proposal indicates minor non-compliance or variance with the RFP, the City may, but need not, make a written request to the proposer for a supplement to the submitted proposal. Such request will attempt to identify the non-compliance or variance, and will establish a date in which the firm may submit a supplement to the RFP. If so requested, the proposer may submit a supplement to the RFP responsive to such request, within the time established, which the City will evaluate in conjunction with the RFP. Any supplement to the RFP will be deemed to be an integral part of the proposer's submittal.
6. **Organization of Proposal.** To achieve a uniform review process and obtain the maximum degree of comparability, proposals shall be organized in the following manner:

a. Title Page

List the title of the RFP, the complete legal name of the firm, local address, telephone number, email address, name of contact person and title, alternate contact person and title, and date.

b. Table of Contents

Clearly identify the material by section and page number; and list all attachments or exhibits.

c. Letter of Transmittal

- (i) Limit the letter to one or two printed pages.
- (ii) Briefly state the firm's understanding of the work to be done and make a positive commitment regarding availability to perform and complete the work in a timely manner.
- (iii) Provide the names of the people who will be authorized to make representations for the firm, their titles, addresses, telephone numbers and email addresses.

d. Profile of the Organization, Technical Qualifications, and Approach

- (i) State whether the firm is national, regional, or local, and indicate the location of the office that has responsibility for the audit.
- (ii) Indicate the number of personnel by title and level located within the proposing office that will perform the audit.
- (iii) Provide an affirmative statement that the firm and all assigned key professional staff are properly licensed or registered to practice in the State of California to perform the audit services.
- (iv) Describe the range of activities performed by the proposing office, such as audits, accounting, tax services, or management services.
- (v) Provide a list of current and prior government audit clients for the last five (5) years (cities, successor agencies, special districts, and Federal Single Audits), including telephone number and contact person's name, indicating the type(s) of services performed and the number of years served.

- (vi) Describe specialized audit services that the firm has provided for municipalities, such as transient occupancy tax audits, business license audits and franchise fee audits, etc., within the last five (5) years.
- (vii) Describe the proposing office's experience in providing additional services to government clients by listing the name of each government, the type(s) of service performed and the year(s) of engagement.
- (viii) Describe the firm's formal education programs in the area of municipal accounting and auditing available to clients.
- (ix) Describe any regulatory action taken against the firm or local office, any civil or criminal litigation or investigation of the firm or local office, over the past ten (10) years, which involved the proposer or in which the proposer has been judged guilty or liable within the last five (5) years. If there is no information to disclose, proposer must affirmatively state there is no negative history.
- (x) Describe the firm's approach to the audit, including workplan. This should include, at a minimum, the general approach, organization of audit team and expectation of assistance from City staff.
- (xi) Provide the anticipated amount of time (workdays) required to complete the audit. It is estimated that the records will be ready for audit by September 15<sup>th</sup> of each fiscal year.

The following timetable must be adhered to:

- (a) Interim work shall be conducted after the contract award but no sooner than May of the first year. In subsequent years, interim work is to be conducted during April, May, or June.
- (b) Final examination shall begin around mid-September each year.
- (c) Copies of the draft ACFR and management letter are due October 31<sup>st</sup>.
- (d) Final copies of ACFR and management letter are due by the end of November 30<sup>th</sup>.
- (e) GANN Appropriations Limit agreed-upon procedures are due by November 30<sup>th</sup>.
- (f) Final copies of the Single Audit are due by December 31<sup>st</sup>.
- (g) Presentations to the City Council in January.

- (xii) Explain why Seal Beach should retain the firm.
  - (xiii) Explain what priority the firm will give Seal Beach on this engagement.
  - (xiv) Describe the firm's participation in the "peer review" program. Provide the date and extent of the local office's last participation.
- e. Summary of the Firm's Individual Audit Staff Technical Qualifications
- (i) Identify the partners, managers and supervisors by names and titles who will participate in the audit; and include their resumes.
    - (a) The City realizes that definite staff commitments may change from time to time. The City agrees to cooperate with the auditor in this regard; however, the City reserves the right to require the City's approval of substitutions for assigned audit personnel proposed for this engagement.
  - (ii) Provide at least three client references, and list the name of the municipality, name and title of contact person at the municipality, and a brief description of the scope of the audit services. These references shall be sites at which audit services have been conducted within the past two years.
- f. Fee Proposal (to be provided in a separate sealed envelope).
- (i) Clearly describe the scope of the required services to be provided.
  - (ii) Separately state the fees for the City's ACFR, Single Audit, and GANN Appropriations Limit agreed-upon procedures, and other(s).
  - (iii) Explain how cost increases or decreases will be calculated, should the City subsequently request an adjustment in the scope of the audit.
  - (iv) The Fee Proposal shall comply with the requirements set forth in Section F, Fee Proposal, Section G, Fees, and Attachment C, Fee Schedule.
- g. Insurance Requirements
- (i) The selected auditor shall procure and maintain for the term of the agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the audit firm, its agents, representatives, or employees, subject to City approval of coverages and liability limits.

Proof of professional liability insurance shall be required. Workers' compensation insurance must be maintained per the requirements of the State of California; and employer's liability insurance shall also be required. Any deductibles or self-insured retention levels must be declared to and approved by the City. The City's insurance requirements are set forth in the sample agreement included in this RFP as Attachment A.

- (ii) The general liability and automobile liability policies shall contain, or be endorsed to contain, the following general provisions:
  - (a) The City, its elected and appointed officers, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials shall be named as additional insureds with respect to: with respect to the services or operations performed by or on behalf of the consultant; products and completed operations of the consultant; premises owned, occupied, or used by the consultant; or automobiles owned, leased, hired, or borrowed by the consultant. The coverages shall contain no special limitations on the scope of protection afforded to the City, its elected and appointed officers, employees, agents, servants, volunteers, or those City agents serving as independent contractors in the role of City officials.
  - (b) For any claims related to the work described herein, the audit firm's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials. Any insurance or self-insurance maintained by the City, its elected or appointed officers, employees, agents, servants, volunteers, or those City agents serving as independent contractors in the role of City officials shall be in excess of the consultant's insurance and shall not contribute with it.
  - (c) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, has been given to the City.
  - (d) Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VIII, licensed to do business in the State of California, and satisfactory to the City.

- (e) The auditor shall furnish the City with original endorsements effecting coverage required by this clause. The endorsements shall be on forms provided by the City. All endorsements shall be submitted to and approved by the City before work commences.

(iii) Defense and Indemnification

The auditor shall agree to protect, defend, indemnify and hold harmless the City and its elected and appointed officers, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials, from and against all claims, demands and causes of action by consultant's employees or third parties on account of bodily injury, personal injury, or property damage arising out of the work to be performed by the consultant hereunder and resulting from the consultant's breach of contract and/or the negligent or willful act or omissions of consultant, consultant's agents, employees or subcontractors.

The specific indemnification language is contained in the sample contract included in Attachment A to this RFP.

**G. FEES**

It is the City's desire to solicit proposals for auditing and accounting services for a period of three (3) years with two (2) optional one (1) year extensions. The City requests that a statement of maximum cost be made for the annual audit and reports as set forth in this RFP. All expenses, including typing, clerical, printing costs, and binding should be included in the total audit fee. The fee should be allocated to the various reports and components of the audit (City ACFR, Single Audit, and GANN Appropriations Limit agreed-upon procedures, and others if applicable) with a maximum annual fee for each of the three (3) fiscal years including fiscal year July 1, 2024 through June 30, 2025; July 1, 2025 through June 30, 2026; and July 1, 2026 through June 30, 2027; and also including the optional two (2) one (1) year extensions, in addition any other fees to perform other financial audits and reviews as specified in the scope of work.

The City requests that the proposal include a schedule of rates and tasks for professional staff by classification. The form of the schedule should comply with Attachment C, Fee Schedule, included with this RFP. The schedule should reflect rates for auditing services, accounting services and consulting services. It should also reflect the anticipated distribution of hours per staff classification. All types of fees should also be included.

**H. EVALUATION OF PROPOSALS**

Proposals will be evaluated by City staff to determine which firm best meets the needs of the City. The factors to be considered during the evaluation are:

1. The firm's response in clearly stating the understanding of the work to be performed, general approach and workplan.
2. The firm's experience with local government, and federal and state grant audits.
3. The technical qualifications and experience of staff proposed for the audit with local government, and federal and state grants.
4. The firm's size and structure.
5. The anticipated support requirements of City staff.
6. The audit fees.

All proposals will be evaluated first by City staff using the above criteria. After the top candidates have been selected using this criteria, oral interviews may be arranged to assist in making the final decision. If held, oral interviews will be conducted by a panel designated by the City Manager or his/her designee. If interviews are needed, oral presentations will be scored on 70 to 100 scale (30 oral presentation, 70 total proposal score). Selection of the successful proposal, if any, will be at the sole direction of the City Council. All firms will be notified of the Council's selection following the award of the contract.

Selection and award, if any, shall be based on the City's determination of the proposer's demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, as reflected in the criteria listed above, and shall not be awarded solely based on cost.

The City will consider total compensation after the City is satisfied that the selected proposer has demonstrated the competence and professional qualifications necessary for the satisfactory performance of the services required. Costs will be evaluated in order to determine if the services will be performed at fair and reasonable prices to the City.

## **I. ADDITIONAL INFORMATION**

1. Preparation Costs. The City will not be liable for any cost incurred in preparing proposals or associated travel costs. The City reserves the right to request such additional information as the City may reasonably require for evaluation purposes. The City also reserves the right to conduct pre-contract negotiations with any or all potential firms.
2. Signatures. All proposals shall be signed by a duly authorized representative of the person or firm. All unsigned proposals will be rejected as non-responsive.

3. Familiarity with Work. The submission of a proposal shall be evidence that the firm has full knowledge of the scope, nature, quantity, and quality of work to be performed, the detailed requirements of the City's specifications and requirements, and the conditions under which the work is to be performed.
4. Deadline for Execution of Agreement. If the selected certified public accounting firm does not execute an agreement with the City within fourteen (14) days after notification of proposed selection, the City may give notice to that firm of the City's intent to select from the remaining firms or cancel the procurement, or call for new proposals, whichever the City deems appropriate.
5. Personal Interviews. The City may conduct personal interviews with the top firms prior to selection. If conducted, it would be desirable that senior audit staff be present for the interviews.
6. Auditor Expertise. All supervisory and managerial personnel assigned to the engagement, including the person in charge of the daily fieldwork, must have appropriate significant local government and redevelopment agency audit experience. The field staff assigned to the City must include one person with at least two years of audit experience, including local government and redevelopment agency audit experience.
7. Staffing. The total audit staffing should be at a level sufficient to complete the audit in the time scheduled and specified in the request for proposal. In addition, the audit staff should remain constant through each year's audit process. At least one staff member from the prior year's audit is to be a member of the subsequent year's audit team.
8. Compliance with Applicable Law. The auditors shall comply with the provisions of any and all Federal, State, County and City orders, statutes, ordinances, bond covenants, administrative codes and orders, rules and regulations that may pertain to the work required in the engagement.
9. Retention of Records. Working papers shall be retained by the audit firm for a minimum of seven (7) years after the conclusion of the engagement unless authorized to do otherwise in writing by the Director of Finance/City Treasurer or the City Manager, or unless the City notifies the selected auditor of the need to extend the retention period. Accordingly, the work papers shall be made available upon request. In addition, the selected auditor shall respond to the reasonable inquiries of successor auditors and state and/or federal regulators, and to allow successor auditors to review working papers relating to matters of continuing accounting significance.
10. Additional Work. It is expected that the firm chosen will make itself available for additional projects that may be necessary from time to time. Separate fees will be negotiated for each project.



11. Billing Procedures. Compensation for the auditing and accounting services will be paid upon submission of progress billings. A final billing will be paid after receiving the required final reports. Procedures for submittal of invoices and payments are set forth in the sample agreement included as Attachment A to this RFP.
12. Assignment. It is mutually understood and agreed that the selected auditor, if any, shall not assign, transfer, convey, sublet, delegate or otherwise dispose of the contract or the right, title, or interest therein, or the power to execute such contract, to any other person, company, or corporation without prior written consent of the City Manager.
13. Termination of Agreement. Following the execution of the agreement, if any, the City reserves the right to terminate the agreement at will, for any reason or no reason, subject to 30 days' prior written notice.
14. City Business License. The selected auditor, if any, will be required to purchase a City Business License annually during the term of the agreement.

**ATTACHMENTS:**

- Attachment A: Sample Agreement
- Attachment B: Acknowledgment of Addenda
- Attachment C: Fee Schedule

**ATTACHMENT A --**  
**SAMPLE PROFESSIONAL SERVICES AGREEMENT**

**PROFESSIONAL SERVICES AGREEMENT  
for**

**Professional Auditing Services**

between



City of Seal Beach  
211 - 8th Street  
Seal Beach, CA 90740

&

<Consultant Name>  
<Address>  
<City, State, Zip Code>  
<Phone Number>

This Professional Service Agreement (“the Agreement”) is made as of <INSERT DATE> (the “Effective Date”), by and between <CONSULTANT’S COMPLETE LEGAL NAME> (“Consultant”), <TYPE OF LEGAL ENTITY AND STATE OF FORMATION (e.g., a California corporation, partnership, limited liability company, sole proprietorship, etc.)> and the City of Seal Beach (“City”), a California charter city, (collectively, “the Parties”).

## RECITALS

A. City desires certain professional auditing services.

B. Pursuant to the authority provided by its City Charter and Seal Beach Municipal Code § 3.20.025(C), City issued Request for Proposals No. \_\_\_\_\_ on January 13, 2025 titled "Request for Proposal for Financial and Special Audit Services" ("RFP"). Consultant submitted a proposal dated <DATE> to perform the professional services in response to the RFP.

C. Consultant represents that the principal members of its firm are licensed and registered professional certified public accountants and are fully qualified to perform the professional auditing services contemplated by this Agreement by virtue of its experience, and the training, education and expertise of its principals and employees.

D. City desires to retain Consultant as an independent contractor and Consultant desires to serve City to perform those professional services in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereto agree as follows.

## AGREEMENT

### 1.0 Consultant's Services

1.1. Scope of Services. In compliance with all terms, conditions and provisions of this Agreement, Consultant shall provide those professional services (collectively "Services") set forth in the Request for Proposals ("RFP"), and the "Scope of Services" attached hereto as Exhibit A and incorporated herein by this reference, all to City's reasonable satisfaction. **The Services relate to the following City project: "Professional Auditing Services."**

### 1.2. Agreement Documents; Order of Precedence.

1.2.1. The Agreement Documents include this Agreement, and all of the following: (i) the Exhibits attached to or referenced in this Agreement; (ii) the Request for Proposal ("RFP"), including all attachments and exhibits thereto; and (iii) Consultant's accepted proposal ("Proposal"). Unless otherwise indicated therein, the "Scope of Services", Exhibit A, includes the Proposal, which is incorporated herein by this reference, together with any additional City standards or specifications or requirements set forth therein. All Exhibits and attachments and/or documents referenced in each Exhibit, are incorporated herein by this reference as though set forth in full.

1.2.2. In the event of any inconsistency or conflict between this Agreement and any Exhibit or incorporated documents, the order of precedence shall be as follows: (i) this Agreement; and then (ii) the RFP included in Exhibit A; and then (iii) Exhibit B (Terms for Compliance with California Labor Law Requirements); and then (iv) the Proposal, included in Exhibit A, shall govern. In the event there is any conflict between the Agreement, on the one hand, and any of the Exhibits, on the other hand, the Agreement shall govern.

1.3. Standard of Care. As a material inducement to City to enter into this Agreement, Consultant hereby represents that it has the experience necessary to undertake the Services to be provided. In light of such status and experience, Consultant hereby covenants that it shall follow the customary professional standards in performing all Services. City relies upon the skill of Consultant, and Consultant's staff, if any, to do and perform the Services in a skillful, competent, and professional manner, and Consultant and Consultant's staff, shall perform the Services in such manner. Consultant shall, at all times, meet or exceed any and all applicable professional standards of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City. The acceptance of Consultant's work by the City shall not operate as a release of Consultant from such standard of care and workmanship.

1.4. Familiarity with Services. By executing this Agreement, Consultant represents that, to the extent required by the standard of practice, Consultant (i) has investigated and considered the scope and level of services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) understands the facilities, difficulties and restrictions attending performance of the Services under this Agreement. Consultant represents that Consultant, to the extent required by the standard of practice, has investigated any areas of work, as applicable, and is reasonably acquainted with the conditions therein. Should Consultant discover any latent or unknown conditions, which will materially affect the performance of services, Consultant shall immediately inform City of such fact and shall not proceed except at Consultant's risk until written instructions are received from City's Representative.

1.5. Compliance with Laws. In performing this Agreement, Consultant shall comply with all applicable provisions of federal, state, and local law.

1.6. Additional Services. Consultant will not be compensated for any work performed not specified in the Scope of Services unless the City authorizes such work in advance and in writing. The City Manager may authorize extra work to fund unforeseen conditions up to the amount approved at the time of award by the City Council. Payment for additional work in excess of this amount requires prior City Council authorization.

## 2.0 Term

2.1. Original Term. The term of this Agreement shall commence as of the Effective Date and shall continue for a term of three years (“Original Term”) and shall expire at midnight on June 30, 2028, unless sooner terminated or extended as provided by this Agreement.

2.2. Extensions. The City, at its sole option, may elect to extend the Original Term of this Agreement, upon the same terms and conditions, for up to two additional terms of one year each (“extension”), by providing written notice to Consultant at least one month prior to the expiration of an existing term. If timely elected by the City, the first extension shall have a term extending from July 1, 2028 through and including June 30, 2029, unless sooner terminated or extended pursuant to this Agreement. If timely elected by the City, the second extension shall be from July 1, 2029 through and including June 30, 2030, unless sooner terminated pursuant to this Agreement. Any extension shall not be effective except upon execution of a written amendment to this Agreement signed by the City Manager and Consultant’s authorized representatives.

## 3.0 Consultant’s Compensation

3.1. Original Term. In consideration of Consultant’s performance of the Services described in Section 1.0, City will pay Consultant in accordance with the hourly rates shown on the fee schedule set forth in Exhibit A for the Services but in no event will the City pay more than the total not-to-exceed amount of \$XXXX (<SPECIFY AMOUNT IN WORDS> dollars) <TOTAL CONTRACT AMOUNT> for the <Original> Term.

3.2. Extensions. In the event that City elects to extend the Original Term in accordance with Section 2.2 of this Agreement, City will pay Consultant in accordance with the hourly rates shown on the fee schedule set forth in Exhibit A for Services but in no event will the City pay more than the total not-to-exceed amount of \$XXXXXX (<SPECIFY AMOUNT IN WORDS> dollars) for each extension.

## 4.0 Method of Payment

4.1. Consultant shall submit to City monthly invoices for all Services rendered pursuant to this Agreement. Such invoices shall be submitted within 15 days of the end of the month during which the Services were rendered and shall describe in detail the Services rendered during the period, the days worked, number of hours worked, the hourly rates charged, and the Services performed for each day in the period. City will pay Consultant within 30 days of receiving Consultant’s invoice. City will not withhold any applicable federal or state payroll and other required taxes, or other authorized deductions from payments made to Consultant.

4.2. Upon 24-hour notice from City, Consultant shall allow City or City's agents or representatives to inspect at Consultant's offices during reasonable business hours all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement. City's rights under this Section 4.2 shall survive for three (3) years following the termination of this Agreement.

## **5.0 Termination**

### **5.1. Termination by City.**

5.1.1. This Agreement may be terminated by City, without cause, upon giving Consultant written notice thereof not less than 30 days prior to the date of termination.

5.1.2. This Agreement may be terminated by City upon 10 days' notice to Consultant if Consultant fails to provide satisfactory evidence of renewal or replacement of comprehensive general liability insurance as required by this Agreement at least 20 days before the expiration date of the previous policy.

5.2. Termination by Consultant. This Agreement may be terminated by Consultant based on reasonable cause, by serving written notice of termination to City, provided that Consultant has first City with a written notice of default and demand to cure, and City has failed to cure such default within 30 days of receipt of such notice.

5.3. Obligations Upon Termination. Unless otherwise specified in the notice of termination, Consultant shall cease all work under this Agreement immediately upon receipt of notice of termination from City under Subsection 5.1, or immediately upon City's acknowledgment of receipt of Consultant's notice of termination to City under Subsection 5.1. Upon termination, City shall be immediately given title to and possession of all Work Product (as defined in Subsection 11.1 of this Agreement) and all other documents, writings, and/or deliverables produced or developed pursuant to this Agreement. Provided that Consultant is not then in breach, City shall pay Consultant all undisputed amounts for any portion of the Services satisfactorily completed prior to termination, based on the reasonable value of the Services rendered. If said termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services satisfactorily performed shall be the reasonable value of such Services, based on an amount agreed to by City and Consultant. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. In no event shall Consultant be entitled to payment for unperformed services or services within the Scope of Services performed prior to the effective date of this Agreement; and Consultant shall not be entitled to receive more than the amount that would be

paid to Consultant for the full performance of the Services up to date of termination. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation or damages.

## **6.0 Party Representatives**

6.1. The City Manager is the City's representative for purposes of this Agreement.

6.2. **<NAME>** is the Consultant's primary representative for purposes of this Agreement. **<NAME>** shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Services hereunder. Consultant may not change its representative without the prior written approval of City, which approval shall not be unreasonably withheld.

## **7.0 Notices**

7.1. All notices permitted or required under this Agreement shall be deemed made when personally delivered or when mailed 48 hours after deposit in the United States Mail, first class postage prepaid and addressed to the party at the following addresses:

To City: City of Seal Beach  
211-8th Street  
Seal Beach, California 90740  
Attn: City Manager

To Consultant: **<Consultant>**  
**<Address>**  
**City, State, Zip Code>**  
**Attn: <Consultant Representative>**

7.2. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

## **8.0 Permits and Licenses**

Consultant and all of Consultant's employees and other personnel shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of the Services under this Agreement, including a business license as required by the Seal Beach Municipal Code.

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## **9.0 Independent Contractor**

9.1. Consultant is an independent contractor and not an employee of City. All work or other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision. Consultant will determine the means, methods, and details by which Consultant's employees and other personnel will perform the Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

9.2. All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of City's employees; and City's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of City premises at locations of Consultant's choice, except (i) as otherwise required for the performance of Services; (ii) as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from City, review plans and other documents on file at City, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or (iii) as may be necessary to inspect or visit City locations and/or private property to perform such Services. City may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

9.3. Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and any of its officers, employees, agents, servants, volunteers, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City,

including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System (“PERS”) as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

9.4. Consultant shall defend, indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant’s personnel practices. or to the extent arising from, caused by or relating to the violation of any of the provisions of this Section 9.0. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant’s failure to promptly pay to City any reimbursement or indemnification arising under this Section. This duty of indemnification is in addition to Consultant’s duty to defend, indemnify and hold harmless as set forth in any other provision of this Agreement. Consultant’s covenants and obligations under this Section shall survive the expiration or termination of this Agreement.

## **10.0 PERS Compliance and Indemnification**

10.1. General Requirements. The Parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to City to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees’ Retirement Law (“PERL”), commencing at Government Code § 20000, as amended by the Public Employees’ Pension Reform Act of 2013 (“PEPRA”),. and the regulations of PERS, as amended from time to time. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the PERL, PEPRA or any other applicable retirement laws and regulations.

10.2. Indemnification. To the maximum extent permitted by law, Consultant shall defend, indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant’s violation of any provisions of this Section 10.0. This duty of indemnification is in addition to Consultant’s duty to defend, indemnify and hold harmless as set forth in any

other provision of this Agreement. Consultant's covenants and obligations under this Section shall survive the expiration or termination of this Agreement.

## **11.0 Ownership of Work Product**

11.1. Unless otherwise agreed upon in writing, all field notes and other notes, draft and final reports, drawings, specifications, data, surveys, studies, plans, maps, models, specifications, photographs, images, ideas, concepts, designs including but not limited to website designs, source code, object code, computer files, electronic data and/or files, other media of any kind whatsoever, and any other documents and written material of any kind, created, prepared, developed or used by Consultant in the performance of this Agreement (collectively "Work Product") shall be considered "works made for hire," for the benefit of City. Upon completion of, or in the event of termination or expiration of this Agreement, all Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City upon final payment being made in accordance with Subsection 5.3, and may be used, reused or otherwise disposed of by City for any purpose without Consultant's consent; provided that any use, reuse or modification of the Work Product by City for any purpose other than the purpose for which the Work Product was prepared or provided under this Agreement shall be at City's own risk. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Work Product.

11.2. Consultant hereby assigns to City all ownership and any and all intellectual property rights to the Work Product that are not otherwise vested in City pursuant to Subsection 11.1.

11.3. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that City has full legal title to and the right to reproduce the Work Product for any purpose. Consultant shall defend, indemnify and hold City, its elected and appointed officials, officers, employees, agents, servants, attorneys, volunteers, and those City agents serving as independent contractors in the role of City officials, harmless from any loss, claim or liability in any way related to a claim that City's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work

Product or other deliverables hereunder by City is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its expense, shall: (i) secure for City the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for City; or (ii) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. Consultant's covenants and obligations under this Section shall survive the expiration and/or termination of this Agreement.

11.4. Upon expiration or termination of the Agreement, Consultant shall deliver to City all Work Product and other deliverables related to any Services performed pursuant to this Agreement without additional cost or expense to City. If Consultant prepares a document on a computer, Consultant shall provide City with said document both in a printed format and in an electronic format that is acceptable to City.

## **12.0 Confidentiality**

12.1. Consultant may have access to financial, accounting, statistical, and personnel data of individuals and City employees, trade secrets, and/or other information that may be protected under other applicable laws relating to privacy, confidentiality and/or privilege. Consultant covenants that all Work Product (as defined in Subsection 11.1) and/or any other data, documents, writings, discussion or other information created, developed, received or provided by Consultant in the performance of this Agreement are deemed confidential unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such Work Product, data, documents, writings, discussion or other information to persons or entities other than City without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, servants, volunteers and/or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the Services performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City timely notice of such court order or subpoena.

12.2. Consultant shall promptly notify City should Consultant, its officers, employees, agents, servants, volunteers and/or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City may, but has no obligation to, represent Consultant or be present at any

deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

12.3. Consultant's covenants and obligations under this Section shall survive the termination or expiration of this Agreement.

### **13.0 Subcontractors**

No portion of this Agreement shall be subcontracted without the prior written approval of City, and any subcontracting shall be at Consultant's sole cost and expense. Consultant is fully responsible to City for the performance of any and all subcontractors, and shall monitor and review all work and services performed by its subcontractors. Subcontracts, if any, shall contain a provision making the subcontractor subject to all requirements of this Agreement.

### **14.0 Prohibition Against Assignment, Transfer or Delegation**

Consultant shall not assign or transfer this Agreement or any of its rights, obligations or interest in this Agreement, or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent, which may be withheld for any reason. Any purported assignment, transfer or delegation without City's consent shall be void and without effect, and shall entitle City to terminate this Agreement.

### **15.0 Inspection and Audit of Records**

Consultant shall maintain complete and accurate records with respect to all Services and other matters covered under this Agreement, including but expressly not limited to, all Services performed, salaries, wages, payroll, invoices, time cards, cost control sheets, costs, expenses, receipts and other records and Work Product with respect to this Agreement. Consultant shall maintain adequate records on the Services provided in sufficient detail to permit an evaluation of all Services in connection therewith. All such records shall be clearly identified and readily accessible. At all times during regular business hours, Consultant shall provide City with free access to such records, and the right to examine and audit the same and to make copies and transcripts as City deems necessary, and shall allow inspection of all program data, information, documents, proceedings and activities and all other matters related to the performance of the Services under this Agreement. Consultant shall retain all financial and program service records and all other records related to the Services and performance of this Agreement for at least three (3) years after expiration, termination or final payment under this Agreement, whichever occurs later. City's rights under this Section 15.0 shall survive for

three (3) years after expiration, termination or final payment under this Agreement, whichever occurs later.

## **16.0 Safety Requirements**

All work performed under this Agreement shall be performed in such a manner as to provide safety to the public and to meet or exceed the safety standards outlined by CAL OSHA and other applicable state and federal laws. City may issue restraint or cease and desist orders to Consultant when unsafe or harmful acts are observed or reported relative to the performance of the Services. Consultant shall maintain the work sites free of hazards to persons and property resulting from its operations. Consultant shall immediately report to the City any hazardous condition noted by Consultant.

## **17.0 Insurance**

17.1. General Requirements. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the City that Consultant has secured all insurance required under this Section.

17.2. Minimum Scope and Limits of Insurance. Consultant shall, at its sole cost and expense, procure, maintain and keep in full force and effect for the duration of the Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of this Agreement, as follows:

17.2.1. Commercial General Liability Insurance: Consultant shall maintain limits no less than \$2,000,000 per occurrence for bodily injury, personal injury and property damage; and if Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit: Coverage shall be at least as broad as the latest version of Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001). If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds;

17.2.2. Automobile Liability Insurance: Consultant shall maintain limits no less than \$1,000,000 per accident for bodily injury and property damage. Coverage shall be at least as broad as Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto)..

17.2.3. Workers' Compensation Insurance in the amount required by law; and Employer's Liability Insurance: with minimum limits of \$1,000,000 per accident and in the aggregate for bodily injury or disease;

17.2.4. Professional Liability (or Errors and Omissions) Liability Insurance: Consultant shall maintain professional liability (or errors and omissions liability) insurance that covers the Services to be performed in connection with this Agreement, with minimum limits of \$1,000,000 per claim/aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement. If a “claims made” policy is provided, then the policy shall be endorsed to provide an extended reporting period of not less than three years.

17.2.5. Cyber Liability Policy limits not less than \$1,000,000 per occurrence or claim, \$1,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs, regulatory fines and penalties, as well as credit monitoring expenses with limits sufficient to respond to these obligations.

17.3. Acceptability of Insurers. The Insurance policies required under this Section shall be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

17.4. Additional Insureds.

17.4.1. For general liability insurance, City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials shall be covered as additional insureds with respect to the services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work.

17.4.2. For automobile liability insurance, City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials, shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible.

17.4.3. These additional insured provisions shall also apply to any excess/umbrella liability policies.

17.5. Cancellations or Modifications to Coverage. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by City to state: (i) coverage shall not be suspended, voided, reduced or canceled except after 30 days (or ten days for nonpayment) prior written notice by certified mail, return receipt requested, has been given to City; (ii) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to City, its elected and appointed officials, officers, employees, agents, servants, volunteers, and those City agents serving as independent contractors in the role of City officials;

17.6. Primary and Non-Contributing. Coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage and that any insurance or self-insurance maintained by the City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials, shall be excess of the Consultant's insurance and shall not be called upon to contribute with it;

17.7. Separation of Insureds. Each insurance policy shall contain standard separation of insureds provisions and shall not contain any special limitations on the scope of protection afforded to City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials.

17.8. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions shall be declared to and approved by City. Consultant guarantees that, at the option of City, either: (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials; or (ii) Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

17.9. Waiver of Subrogation. Each insurance policy required by this Agreement shall expressly waive the insurer's right of subrogation against City and its elected and appointed officials, officers, employees, agents, servants, volunteers and those City agents serving as independent contractors in the role of City officials. Consultant hereby waives its own right of recovery and all rights of subrogation against City; and shall require similar express written waivers from any subcontractor.

17.10. Enforcement of Agreement Provisions (Non-Estoppel). Consultant acknowledges and agrees that any actual or alleged failure on City's part to



inform Consultant of non-compliance with any insurance requirement does not impose additional obligations on City, nor does it waive any rights hereunder.

17.11. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

17.12. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City with original certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section on forms satisfactory to and approved by City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by City if requested. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. All certificates and endorsements shall be received and approved by the City before work commences. City also reserves the right to require complete, certified copies of all required insurance policies, at any time. Consultant shall also provide proof to City that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

17.13. Indemnity Requirements Not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties under any provision of this Agreement.

17.14. Broader Coverage/Higher Limits. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Consultant under this Agreement. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Services. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant.

17.15. Subcontractor Insurance Requirements/Pass-Through Clause. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the

requirements of this Section. Consultant agrees to monitor and review all such coverages and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Section. Consultant agrees to submit all agreements with consultants, subcontractors, and others engaged in the Services upon City's request.

17.16. Timely Notice of Claims. Consultant shall give City prompt and timely notice of demands or claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required insurance policies.

## **18.0 Indemnification, Hold Harmless, and Duty to Defend**

### 18.1. Indemnities.

18.1.1. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City and its elected and appointed officials, officers, attorneys, employees, agents, servants, volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees" in this Section 18.0), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, bid protests, stop notices, liens and losses of any nature whatsoever, including but not limited to fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, to property or persons, including but not limited to, bodily injury, death, personal injury and property damage, in any manner arising out of, claimed to arise out of, pertaining to, or relating to the breach of this Agreement and/or any acts, errors, omissions, negligence or willful misconduct of Consultant, its officers, employees, agents, servants, volunteers, contractors, subcontractors, materialmen, or suppliers, or their officers, employees, agents, servants or volunteers (or any entity or individual for whom Consultant shall bear legal liability) in the performance of the Services and/or this Agreement, except to the extent the Claims arise from the sole negligence or willful misconduct of the Indemnitees as determined by final arbitration or court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

18.1.2. Consultant shall defend, indemnify and hold harmless City in accordance with Sections 9.0 and 10.0.

18.2. Subcontractor Indemnification. Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 18.0 from each and every subcontractor and/or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity agreements, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual, alleged or threatened, arising out of, are claimed to arise out of, pertaining to, or relating to, the breach of this Agreement, any acts, errors, omissions, negligence or willful misconduct of Consultant's subcontractor, its officers, employees, agents, servants, volunteers, materialmen, contractors, and/or subcontractors, or their officers, employees, agents, servants or volunteers (or any entity or individual for whom Consultant's contractor or subcontractor shall bear legal liability) in the performance of the Services or this Agreement, except to the extent the Claims arise from the sole negligence or willful misconduct of the Indemnitees as determined by final arbitration or court decision or by the agreement of the Parties.

18.3. Workers' Compensation Acts Not Limiting. Consultant's indemnification obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its elected and appointed officials, officers, agents, employees, volunteers and those City agents serving as independent contractors in the role of City officials.

18.4. Insurance Requirements Not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities and obligations in this Agreement shall apply regardless of whether or not any insurance policies are determined to be applicable to the Claims or Liabilities asserted against City or any of the other Indemnitees.

18.5. Survival of Terms. Consultant's covenants and obligations under this Section 18.0 shall survive the expiration or termination of this Agreement.

## **19.0 Non-Discrimination and Equal Employment Opportunity**

19.1. Consultant affirmatively represents that it is an equal opportunity employer. In the performance of this Agreement, Consultant covenants that it shall not discriminate, harass or retaliate against any of its officers, employees, applicants for employment, agents, volunteers, contractors or subcontractors or because of race, religion, color, national origin, handicap, ancestry, sex, gender, sexual orientation, gender identity, gender expression, marital status, national

origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, military or veteran status, or any other basis prohibited by law.

19.2. Contractor further covenants that in the performance of this Agreement, Consultant shall not discriminate, harass or retaliate against any passenger, rider, guest or other person utilizing the services of Consultant under this Agreement, or against City, its elected or appointed officials, officers, employees, agents, servants, volunteers, those City agents serving as independent contractors in the role of City officials, consultants, contractors, or subcontractors because or on account of race, religion, color, national origin, handicap, ancestry, sex, gender, sexual orientation, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, military or veteran status, or on any other basis prohibited by law.

## **20.0 Labor Certification**

By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code that require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

## **21.0 Prevailing Wage and Payroll Records**

To the extent that this Agreement calls for services that, in whole or in part, constitute "public works" as defined in the California Labor Code, Consultant shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in Exhibit B, attached hereto and incorporated by reference herein.

## **22.0 Entire Agreement**

This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings, or agreements. This Agreement may only be modified by a writing signed by both Parties.

## **23.0 Severability**

The invalidity in whole or in part of any provisions of this Agreement shall not void or affect the validity of the other provisions of this Agreement.

## **24.0 Government Code Claim Compliance**

In addition to any and all requirements of this Agreement pertaining to notices of and requests for compensation or payment for additional services, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code Section 900 et seq. prior to filing any lawsuit against City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to additional services, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a lawsuit against City.

## **25.0 Governing Law and Venue**

This Agreement shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Orange County, California, shall be the venue for any action or proceeding that may be brought by reason of, that arises out of, and/or relates to any dispute under this Agreement (whether contract, tort or both).

## **26.0 No Third Party Beneficiaries**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity shall be deemed to have any rights hereunder against either party by virtue of this Agreement.

## **27.0 Waiver**

No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (i) effective unless it is in writing and signed by the Party making the waiver, (ii) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (iii) deemed to constitute a continuing waiver unless the writing expressly so states.

## **28.0 Prohibited Interests; Conflict of Interest**

28.1. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the Services, or which would conflict in any manner with the performance of the Services. Consultant further covenants that, in performance of this Agreement, no person

having any such interest shall be employed by it. Furthermore, Consultant shall avoid the appearance of having any interest, which would conflict in any manner with the performance of the Services. Consultant shall not accept any employment or representation during the term of this Agreement which is or may likely make Consultant "financially interested" (as provided in California Government Code §§ 1090 and 87100) in any decision made by City on any matter in connection with which Consultant has been retained.

28.2. Consultant further warrants and maintains that it has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement. Nor has Consultant paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, gift, percentage, or any other consideration contingent upon the execution of this Agreement. Upon any breach or violation of this warranty, City shall have the right, at its sole and absolute discretion, to terminate this Agreement without further liability, or to deduct from any sums payable to Consultant hereunder the full amount or value of any such fee, commission, percentage or gift.

28.3. Consultant warrants and maintains that it has no knowledge that any officer or employee of City has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Consultant, and that if any such interest comes to the knowledge of Consultant at any time during the term of this Agreement, Consultant shall immediately make a complete, written disclosure of such interest to City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws as described in this Section.

### **29.0 Final Payment Acceptance Constitutes Release**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its officers, directors, employees, servants, agents, volunteers, and subcontractors for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

### **30.0 Corrections**

In addition to the indemnification obligations set forth above, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

### **31.0 Non-Appropriation of Funds**

Payments to be made to Consultant by City for any Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's Services beyond the current fiscal year, this Agreement shall cover payment for Consultant's Services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

### **32.0 Mutual Cooperation**

32.1. City's Cooperation. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

32.2. Consultant's Cooperation. Consultant agrees to work closely and cooperate fully with City's representative and any other agencies that may have jurisdiction or interest in the work to be performed. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

### **33.0 Time of the Essence**

Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

### **34.0 Attorneys' Fees**

If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party all of its attorneys' fees and other costs incurred in connection therewith.

**35.0 Recitals**

The Recitals set forth above are incorporated herein by this reference.

**36.0 Titles and Headings**

The titles and headings used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

///

**37.0 Corporate Authority**

The person executing this Agreement on behalf of Consultant warrants that he or she is duly authorized to execute this Agreement on behalf of said party and that by his or her execution, the Consultant is formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, through their respective authorized representatives have executed this Agreement as of the date and year first above written.

CITY OF SEAL BEACH

By: \_\_\_\_\_  
Patrick Gallegos, Interim City  
Manager

Attest:

By: \_\_\_\_\_  
Gloria D. Harper, City Clerk

Approved as to Form:

By: \_\_\_\_\_  
Nicholas R. Ghirelli, City Attorney



CONSULTANT: <Consultant>, a  
<INSERT TYPE OF ENTITY (e.g., a  
California corporation)>

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

*(Please note, two signatures required for corporations pursuant to California Corporations Code Section 313 from each of the following categories: (i) the chairperson of the board, the president or any vice president, **and** (ii) the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.)*

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

SAMPLE

EXHIBIT A

SCOPE OF SERVICES  
(City's Request for Proposal; and  
Consultant's Proposal)

SAMPLE

## EXHIBIT B

### TERMS FOR COMPLIANCE WITH CALIFORNIA LABOR LAW REQUIREMENTS

1. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code (“Chapter 1”). Further, Consultant acknowledges that this Agreement is subject to (a) Chapter 1 and (b) the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. Therefore, as to those Services that are “public works”, Consultant shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.
2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.
3. Consultant shall be registered with the Department of Industrial Relations in accordance with California Labor Code Section 1725.5, and has provided proof of registration to City prior to the Effective Date of this Agreement. Consultant shall not perform work with any subcontractor that is not registered with DIR pursuant to Section 1725.5. Consultant and subcontractors shall maintain their registration with the DIR in effect throughout the duration of this Agreement. If Consultant or any subcontractor ceases to be registered with DIR at any time during the duration of the project, Consultant shall immediately notify City.
4. Pursuant to Labor Code Section 1771.4, Consultant’s Services are subject to compliance monitoring and enforcement by DIR. Consultant shall post job site notices, as prescribed by DIR regulations.
5. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Consultant acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Consultant shall post such rates at each job site covered by this Agreement.
6. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. Consultant shall, as a penalty to City, forfeit \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Consultant or by any subcontractor.

7. Consultant shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Consultant and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform City of the location of the records.

8. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Code of Regulations, Title 8, Section 200 et seq. concerning the employment of apprentices on public works projects. Consultant shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Consultant shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding work pursuant to this Agreement, Consultant and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. Consultant shall not perform work with any subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. Consultant and subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If Consultant or any subcontractor becomes debarred or suspended during the duration of the project, Consultant shall immediately notify City.

10. Consultant acknowledges that eight hours labor constitutes a legal day's work. Consultant shall comply with and be bound by Labor Code Section 1810. Consultant shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Consultant shall, as a penalty to City, forfeit \$25.00 for each worker employed in the performance of this Agreement by Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, work performed by employees of Consultant in excess of eight hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

11. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the

provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

12. For every subcontractor who will perform work on the project, Consultant shall be responsible for such subcontractor’s compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Consultant shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Consultant shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor’s compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Consultant shall diligently take corrective action to halt or rectify any failure.

13. To the maximum extent permitted by law, Consultant shall indemnify, hold harmless and defend (at Consultant’s expense with counsel reasonably acceptable to City) City, its elected and appointed officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Consultant, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys’ fees, and other related costs and expenses. All duties of Consultant under this Section shall survive the termination of the Agreement.

**ATTACHMENT B**  
**ACKNOWLEDGMENT OF ADDENDA**

**ACKNOWLEDGEMENT OF ADDENDA**

*Must be executed by proposer and submitted with the proposal  
(If no addenda has been issued, mark "N/A" under Addendum No. indicating Not  
Applicable and sign in the signature block)*

Proposer's name \_\_\_\_\_

The Proposer shall signify receipt of all Addenda here, if any:

Addendum No.	Date Received	Signature

**ATTACHMENT C**  
**FEE PROPOSAL**



## Attachment C: Fee Schedule

Proposing Firm: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Please mark any item with N/A if you are not proposing to offer that service.

SCOPE	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2027-28
Audit and Related Reports					
Single Audit and Related Reports					
Appropriations Limit					
*Other (Specify)					
Other (Specify)					
Other (Specify)					
Other (Specify)					
<b>Total</b>	-	-	-	-	-

  

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2027-28
	Hourly Rate	Hourly Rate	Hourly Rate	Hourly Rate	Hourly Rate
	<u>Partners</u>	<u>Managers</u>	<u>Senior Auditor</u>	<u>Staff</u>	<u>Clerical</u>
Audit and Related Reports					
Single Audit and Related Reports					
Appropriations Limit					
*Other (Specify)					
Other (Specify)					
Other (Specify)					
Other (Specify)					

  

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2027-28
	Hours	Hours	Hours	Hours	Hours
	<u>Partners</u>	<u>Managers</u>	<u>Senior Auditor</u>	<u>Staff</u>	<u>Clerical</u>
Audit and Related Reports					
Single Audit and Related Reports					
Appropriations Limit					
*Other (Specify)					
Other (Specify)					
Other (Specify)					
Other (Specify)					
<b>Total Hours</b>	-	-	-	-	-

The City reserves the right to select some, all, or none of the items above as part of the final contract.

**Certification**

I, the undersigned, certify that I am duly authorized to represent and submit this proposal on behalf of:

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\* such as GASB 68, 75, 87, 96