



**REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES**

**Fiscal Years 2022-23 through 2024-25
(With the option for two additional fiscal years)**

Issue Date: February 2, 2023

Proposal Due: 2:00 p.m. on March 2, 2023

Alice Atkins, City Clerk
City of Monrovia
415 South Ivy Avenue
Monrovia, CA 91016

I. INTRODUCTION

A. General Information

The City of Monrovia is requesting proposals from qualified, certified public accounting firms to audit its financial statements for the fiscal year ending June 30, 2023, and two subsequent fiscal years thereafter, with an option to extend the contract for two, one-year periods, not to exceed a total of five fiscal years. There is no expressed or implied obligation for the City of Monrovia to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, the following must be must be received by the City Clerk's Office no later than 2:00 p.m. on Thursday, March 2, 2023: Eight (8) hard copies of the Technical Proposal in a separate sealed envelope, eight (8) hard copies of the Fee Proposal in a separate sealed envelope, and one (1) digital copy of the Technical Proposal (no digital Fee Proposal) sent to:

Attn: Alice Atkins
415 South Ivy Avenue
Monrovia, CA 91016
aatkins@ci.monrovia.ca.us

The proposal must be clearly marked on the outside of their respective envelopes as follows: "TECHNICAL PROPOSAL – RFP PROFESSIONAL AUDITING SERVICES" and "FEE PROPOSAL – RFP PROFESSIONAL AUDITING SERVICES". See Section VI, Proposal Submittal Requirements, for details.

During the evaluation process, the City of Monrovia reserves the right to request additional information or clarification from applicants and to waive any irregularities, errors, or omissions in the proposals submitted. At the City's discretion, staff of firms submitting proposals may be requested to make oral presentations as part of the evaluation process. The City of Monrovia reserves the right to retain all proposals submitted. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals. The City of Monrovia reserves the right to reject any or all proposals submitted.

It is anticipated that all final interviewees will be notified of their proposal status no later than April 6, 2023. Following notification of the award, it is expected that the agreement will be executed between both parties by May 2.

Tentative Selection Timeline	
Proposals Due	March 2, 2023 by 2:00 pm
Finalist Notice of Interview	March 20, 2023
Finalist Interviews	March 27-30, 2023
Recommendation to City Council	April 18, 2023

B. Term of Engagement

The consultant services agreement is for a three-year term, with an option of two, one-year extensions. The total term will not exceed a maximum of five fiscal years, subject to:

- Annual review and recommendation of the City’s Administrative Services Department staff,
- Satisfactory negotiation of terms and price,
- Annual appropriation of funds and where applicable, approval by the City of Monrovia City Council.

C. Subcontracting

Should any firm submitting a proposal consider subcontracting portions of the engagement, this fact must be clearly identified in the proposal along with the name of the proposed subcontracting firms. Following the award of the agreement, no additional subcontracting will be allowed without the express written consent of the Administrative Services Director of the City of Monrovia.

II. NATURE OF SERVICES REQUESTED

A. Scope of Work

The City of Monrovia desires an Annual Comprehensive Financial Report (ACFR) to be prepared by the independent auditor and to be fully compliant with all current GASB pronouncements. The City will submit the ACFR to the Government Finance Officers Association (GFOA) for review in the Certificate of Achievement for Excellence in Financial Reporting program. The selected independent auditor will be required to perform the following tasks:

1. Perform an audit of all funds of the City of Monrovia. The audit will be conducted in accordance with Generally Accepted Government Auditing Standards. **The ACFR will be prepared by the firm and be in full compliance with all current GASB pronouncements.** The firm will render its auditors’ report on the basic financial statements, which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management’s Discussion and Analysis and required supplementary information.

2. The audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with requirements applicable to each major program, internal control over compliance and on the schedule of expenditures of federal awards, in accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weakness, and follow-up on prior audit findings where required.
3. The firm shall issue a separate "Management Letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters should be addressed to the City Manager.
4. The firm shall perform agreed upon audit procedures pertaining to the City's GANN Limit and render a letter, annually, to the City regarding compliance.
5. The firm shall prepare the Annual State Controller's Report for the prescribed authority in the requested format by the State Controller's Office. A draft of the report should be provided to City staff by January 15 each year, for review before final submission.
6. The firm will prepare separate component unit financial statements for the Monrovia Housing Authority (the Housing Successor) in conformance with all current GASB pronouncements.
7. In addition to expressing an opinion on the City's compliance with current governmental GAAP, the audit firm shall also be required to provide assistance in the implementation of applicable GASB pronouncements not yet in effect. The costs for these services should be included in the base proposal price and contractual agreement.

B. Auditing Standards

To meet the requirements of this RFP, the audit shall be performed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in the most current

version of the Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States;

3. The provisions of the Single Audit Act as amended in 1996; and
4. The audit requirements of Title 2 I.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and
5. Any other applicable standards for conducting examinations of those items outlined in the Scope of Services and/or reports to be issued in conjunction therewith outlined in the section reports to be issued.

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. **The City's Annual Comprehensive Financial Report (ACFR)** shall be in accordance and/or in compliance with the latest GASB pronouncements and requirements of other regulatory agencies. Ten (10) hardcopies and one (1) digital copy in searchable Adobe Acrobat format must be provided.
2. **Financial statements for the Monrovia Housing Authority** (the Housing Successor) in the form of 3 hard copies and 1 digital file in searchable Adobe Acrobat format.
3. **A Single Audit Report**, which includes a report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, and a report on compliance and internal controls over compliance applicable to each major federal award program. In addition, the Single Audit Report should also include all other necessary components as required by OMB Circular A-133 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Three (3) copies and one (1) digital file in searchable Adobe Acrobat format must be provided.
4. A letter on the City's compliance with the **Proposition 111 GANN Appropriations Limit** for each respective fiscal year.
5. **State Controller Transactions Reports** for the City and City Financing Authority.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control

structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The reports on compliance shall include all instances of noncompliance.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Dylan Feik, City Manager
Craig A. Steele, City Attorney
Buffy Bullis, Administrative Services Director

D. Special Considerations

1. The City of Monrovia has obtained the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada. It is the City's intention to continue to receive this award annually and will expect the annual financial report to meet the requirements of that program.
2. The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal controls and compliance, are not to be included in the comprehensive annual financial report, but are to be issued separately. The auditors will be responsible for preparation of this report.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified, in writing, by the City of Monrovia of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Monrovia
- Department of Housing and Urban Development
- U.S. Governmental Accountability Office (GAO)
- Parties designated by the federal or state governments or by the City of Monrovia as part of an audit quality review process
- Auditors of entities of which the City is a sub-recipient of grant funds

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

continuing accounting significance.

F. Other

The auditors will be consulted on an occasional basis throughout the year as an informational resource. Auditors may be asked to provide guidance on the implementation of Governmental Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting. In addition, they may be asked to assist with the implementation of new pronouncements. The firm's partner/manager will be required to present the ACFR to the City Council and may be required to occasionally attend a City Council meeting to explain or clarify financial statement information or accounting requirements. Additionally, the firm's partner will be required to attend audit committee meetings. Currently, two (2) mandatory meetings are held each year, one at the beginning and one at the end of the audit to review the draft ACFR with the Committee. Additional meetings may be required throughout the year.

III. CITY OF MONROVIA BACKGROUND

A. Background Information

The City of Monrovia is located in the heart of the San Gabriel Valley, twenty miles east of Los Angeles and serves an area of 13.75 square miles with a population of 37,931, according to 2020 US Census data.

The City of Monrovia was incorporated as a general law city on December 15, 1887, and operates under the Council-Manager form of government. The Mayor is elected by the people for a two year term of office, while the remaining four City Council members are elected for a four year term. The City Clerk and City Treasurer are elected by the people for four year terms.

The City Attorney and City Manager are appointed by the City Council. The City is a full-service city and provides a range of municipal services, including the following services: Police, Fire, Recreation, Library, Building, Planning, Housing, Parks, Streets, Water, Sewer, Stormwater, and General Administration Services, and other services.

B. Fund Structure

The City of Monrovia uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>
General Fund	1
Special Revenue Funds	23
Debt Service Funds	4

Capital Projects Funds	3
Enterprise Funds	5
Internal Service Funds	6
Permanent Funds	1
Private Purpose Trust Funds	7
Pension Trust Funds	0
Agency funds	0
General Fixed Assets	
Account Group	1
General Long-Term Debt	
Account Group	1

Please note that the number of funds listed above is as of the date of the issuance of this RFP. This number may change through the end of each fiscal year.

C. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles.

D. Blended Component Units

The City of Monrovia is defined, for financial reporting purposes, in conformity with GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. The management of the City of Monrovia has identified the Monrovia Housing Authority and the Monrovia Public Financing Authority as blended units for inclusion in the City of Monrovia's Financial Statements.

E. Finance Operations

This division is housed within the Administrative Services Department and is responsible for budgeting, financial reporting, treasury, financial audits, payroll, accounts payable, accounts receivable, cash collection, utility billing, purchasing, and other general accounting functions.

IV. TIME REQUIREMENTS

A. Key Dates for Proposal Evaluation and Selection:

Proposals Due	March 2, 2023 by 2:00 pm
Finalist Notice of Interview	March 20, 2023
Finalist Interviews	March 27-30, 2023
Recommendation to City Council	April 18, 2023

B. Date Audit May Commence:

The City of Monrovia will have all records ready for preliminary audit fieldwork and all management personnel available to meet with the firm's personnel as of May 15, 2023.

C. June 30, 2023 Fiscal Year Audit Schedule

Each of the following should be completed for each audit engagement:

- Pre-audit conference and interim fieldwork. The pre-audit conference can be scheduled at the start of the interim fieldwork. Both should be completed by June 30th. If this is not be feasible for the first year due to time constraints, a different date will be discussed. A detailed audit plan should be provided, including a list of all schedules to be prepared by the City of Monrovia, by the end of interim fieldwork.
- Year-end fieldwork should commence no sooner than October 15 and no later than October 31, and draft reports should be available by **November 15th**. The following reports should be made available by the dates below:
 - Monrovia Housing Authority Report December 1
 - Photo-Ready Audit Report (ACFR) December 10
 - Management Letter Comments December 10
 - Report on the Gann Limit Calculation December 10
 - State Controller Report - City of Monrovia January 15
 - State Controller Report - Financing Authority January 15
 - Single Audit Report March 1

V. ASSISTANCE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Administrative Services Department and Clerical Assistance

The Department staff and responsible management personnel will be available during the audit to assist the firm by providing direction to the requested sources of information, documentation, and explanations. The City of Monrovia may prepare the confirmation letters, if requested to do so by the audit firm.

B. Administrative Services Department Assistance

Administrative Services Department staff will provide audit assistance as is reasonably possible and appropriate. A laptop will be provided to the auditors during the audit, and access to the City's imaging system and financial system will be provided, so that auditors can obtain necessary documentation. Staff will be available during the audit to assist the firm by providing information and explanations.

C. Work Area and Equipment

The City of Monrovia will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone, Internet access, a computer with access to the general ledger system, and photocopying facilities, subject to the following restrictions:

- Personal use
- Other client work within reason

D. Report Preparation

Report preparation, editing, typing, and printing of all reports shall be the responsibility of the auditor.

VI. PROPOSAL SUBMITTAL REQUIREMENTS

To be considered, the following must be received by the City Clerk's Office no later than 2:00 p.m. on Thursday, March 2, 2023:

- **Eight (8) hard copies of the Technical Proposal** clearly marked on the outside of the envelope/package as follows:
"TECHNICAL PROPOSAL – RFP PROFESSIONAL AUDITING SERVICES"
- **Eight (8) hard copies of the Fee Proposals** enclosed and sealed in a separate envelope from the Technical Proposal, clearly marked on the outside as follows:
"FEE PROPOSAL – RFP PROFESSIONAL AUDITING SERVICES"
- **One (1) digital copy of the Technical Proposal (NO Fee Proposal by email)** sent to: Alice Atkins, City Clerk -- aatkins@ci.monrovia.ca.us
- All hardcopies of the Technical and Fee Proposal must be sent to the City's Clerk's Office:

Attn: Alice Atkins
415 South Ivy Avenue
Monrovia, CA 91016

Inquiries regarding this proposal process, submittals, and/or technical questions should be directed to Mandy Jiang, Senior Management Analyst: mjiang@ci.monrovia.ca.us or (626) 932-5515.

A. General Guidelines

Title Page - Title page displaying the RFP subject, the firm's name, the name, address, email, and telephone number of the contact person, and the date of the proposal.

Table of Contents – Clearly title the sections of the proposal and page numbers.

Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time

period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for three months.

Detailed Proposal - The detailed proposal should follow the order set forth in Section VI of this request for proposals. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix A and Appendix B).

Contract Exceptions – Of note, the firm must review the City's standard agreement for services attached to this RFP and submit any proposed exceptions to the agreement in the proposal for the City's evaluation. The City is not required to accept any proposed exception. No modification to the City's standard agreement form will be accepted after the award of contract.

B. Technical Proposal

1. **General Requirements**

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

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

The Technical Proposal should address all of the points outlined in the RFP, excluding any cost information which should only be included separately in the sealed Fee Proposal. The technical proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following topics #2 through 8 below, must be included, as they represent the criteria against which the proposal will be evaluated.

2. **Independence**

The firm shall provide an affirmative statement that it is independent of the City as defined by auditing standards generally accepted in the United States and the Government Accountability Office's Government Auditing Standards.

The firm shall also provide an affirmative statement that it is independent of

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

3. Firm Qualifications and Experience

To qualify, the firm must have extensive experience in audits of local governments as well as experience with preparation of Comprehensive Annual Financial Statements in GASB 34 format.

The firm shall provide an affirmative statement verifying that the firm and all assigned key professional staff are properly licensed to practice in California. To qualify, the firm must have extensive experience in audits of local governments, as well as experience with the preparation of Annual Comprehensive Financial Reports prepared in conformance with GAAP.

The proposer shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time and part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified and the firm that is to serve as the principal auditor shall be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements (required by current Government Auditing Standards).

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

4. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in

California. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The City retains the right to approve or reject replacements in either the engagement partners, managers, other supervisory staff, and/or specialists that may be changed if those personnel leave the firm. Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of the City of Monrovia.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five (5) years that are similar to the engagement described in this request for proposal. Indicate whether the audit was part of an ACFR prepared in conformance with GAAP requirements. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. The City reserves the right to contact any and all listed references regarding the audit services performed by the firm.

Please provide a list of not less than five client references for whom services similar to those outlined in the RFP are currently being provided. For each reference listed provide the name of the organization, dates for which the services are being provided, type of services being provided and the name, address, telephone number, and email address of the responsible person within the reference's organization. The City reserves the right to contact any or all of the listed references regarding the audit services performed by the Proposer. A listing of *all* current municipal clients should also be included in the proposal.

6. Specific Audit Approach

The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in the

Scope of Services in this RFP. In developing the work plan, reference shall be made to City-specific sources of information as the budget and related materials, organizational charts, programs, financial, and other applicable information.

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

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

7. Discussion of Relevant Accounting Issues

The proposal shall identify and describe recent changes in accounting principles and pronouncements and their impact on the presentation, scope, and disclosure of the City's financial report.

8. "Prepared By Client" (PBC) List

The proposal shall include a list of standard client-prepared audit schedules the firm anticipates City staff to provide.

VII. SEALED FEE PROPOSAL

A. Total All-Inclusive Maximum Price

The sealed fee proposal shall contain all pricing information relative to performing the audit engagement for each of the three contract years, plus two additional one-year extensions, as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all

direct and indirect costs including all out-of-pocket expenses. The City of Monrovia will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the fee proposal shall include the following information:

1. Name of Firm
2. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Monrovia.
3. A Total All-Inclusive Maximum Price for the June 30, 2023, 2024, 2025, 2026, 2027 engagements broken down by fiscal year.

B. Rates by Partner, Specialist, Supervisor, and Staff Level Positions, Times Hours Anticipated for Each

The second page of the fee proposal shall include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix C) that supports the total all-inclusive maximum price for each year. The cost of special services described in Section II E of this RFP shall be disclosed separately from the total all-inclusive maximum price.

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

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Monrovia for its employees. All estimated out-of-pocket expenses to be reimbursed shall be presented on the second page of the fee proposal in the format provided in the attachment (Appendix C). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm. In addition, a statement must be included in the fee proposal, stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Monrovia rates for its employees.

D. Rates for Additional Professional Services

If it should become necessary for City of Monrovia to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the agreement between the City and the firm. Any additional work

agreed to between City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the fee proposal.

E. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's fee proposal. Interim billing shall cover a period of not less than one (1) calendar month.

VIII. EVALUATION PROCEDURES

A. Review of Proposals

Proposals will be evaluated by Administrative Services Department staff who will submit recommendations to the City Council for final approval. The evaluators will use a point formula during the review process to score proposals. Each evaluator will first score the technical proposals by each of the criteria described in Section VII B below. The individual scores will then be combined to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the proposed fees. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

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

B. Evaluation Criteria

Proposals will be evaluated using three (3) sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in California.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Monrovia.
- c. The firm adheres to the instructions in this RFP on preparing and submitting the proposal.

- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

2. Technical Qualifications: (80 Maximum Points)

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Thoroughness of approach to conducting the audit of the City and demonstration of the understanding of the objectives and scope of the audit, including the following:
 - Adequacy of sampling techniques
 - Adequacy of analytical procedures

3. Price: (20 Maximum Points)

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

C. Final Selection

The Administrative Services Department will select a firm based upon staff evaluation and recommendation, which will then be submitted to the City Council for approval. It is anticipated that a contract will be awarded on April 18, 2023. Following the award of contract, it is expected an agreement will be executed between both parties within two weeks after City Council approval.

D. Right to Reject Proposals

The City of Monrovia reserves the right, without prejudice, to reject any or all proposals. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Monrovia and the firm selected.

APPENDIX A

PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Requested.

Signature of Official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

APPENDIX B

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of California laws with respect to foreign (non-state of California) corporations.
- B. Proposer warrants that it is willing and able to comply with attached Consultant Services Agreement (Appendix E), including obtaining all insurance coverages as provided in Section 10.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Monrovia.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

APPENDIX C

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2023, 2024, AND 2025 FINANCIAL STATEMENTS

<u>Hours</u>	<u>Hourly Rates</u>	<u>Total 2023</u>	<u>Total 2024</u>	<u>Total 2025</u>	<u>Total 2026</u>	<u>Total 2027</u>
Partners						
Managers						
Supervisory staff						
Staff						
Other (specify):						
Subtotal:						
Total for services Described in Section II B & D of the RFP (Detail on subsequent pages)						
Out-of-pocket expenses:						
Meals and lodging:						
Transportation:						
Other (specify):						
Total all-inclusive maximum price:						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
SUPPORTING SCHEDULE FOR THE HOUSING AUTHORITY AUDIT REPORT

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total 2023</u>	<u>Total 2024</u>	<u>Total 2025</u>	<u>Total 2026</u>	<u>Total 2027</u>
Partners							
Managers							
Supervisory staff							
Staff							
Other (specify):							
Total price for the Housing Authority Audit Report:							

SUPPORTING SCHEDULE FOR THE SINGLE AUDIT REPORT

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total 2023</u>	<u>Total 2024</u>	<u>Total 2025</u>	<u>Total 2026</u>	<u>Total 2027</u>
Partners							
Managers							
Supervisory staff							
Staff							
Other (specify):							
Total price for the Single Audit Report:							

SUPPORTING SCHEDULE FOR THE STATE CONTROLLER'S REPORTS
(CITY AND MONROVIA FINANCING AUTHORITY)

<u>Hours</u>	<u>Hourly Rates</u>	<u>Total 2023</u>	<u>Total 2024</u>	<u>Total 2025</u>	<u>Total 2026</u>	<u>Total 2027</u>
Partners						
Managers						
Supervisory staff						
Staff						
Other (specify):						
Total price for the Single Audit Report:						

SUPPORTING SCHEDULE FOR GANN LIMIT

<u>Hours</u>	<u>Hourly Rates</u>	<u>Total 2023</u>	<u>Total 2024</u>	<u>Total 2025</u>	<u>Total 2026</u>	<u>Total 2027</u>
Partners						
Managers						
Supervisory staff						
Staff						
Other (specify):						
Total price for the Single Audit Report:						

AUDIT WORK COST PROPOSAL FORM

SERVICES	2022/23	2023/24	2024/25	2025/26	2026/27
City Audit Report, Management Letter, Related Reports	\$	\$	\$	\$	\$
GANN Limit Review Report	\$	\$	\$	\$	\$
Single Audit and Related Reports	\$	\$	\$	\$	\$
Annual State Controllers and Street Reports	\$	\$	\$	\$	\$
Total (Not to Exceed)	\$	\$	\$	\$	\$

AUDITOR'S STANDARD BILLING RATES

POSITION	2022/23	2023/24	2024/25	2025/26	2026/27
Partner	\$	\$	\$	\$	\$
Manager	\$	\$	\$	\$	\$
Senior Accountant	\$	\$	\$	\$	\$
Staff Accountant	\$	\$	\$	\$	\$
Clerical	\$	\$	\$	\$	\$

APPENDIX D

CONSULTANT SERVICES AGREEMENT

This Consultant Services Agreement (“Agreement”) is dated [month] [day], [year] (“Effective Date”), and is between the City of Monrovia, a California municipal corporation (“City”) and [Consultant’s Legal Name], a [Legal Form of Entity, e.g., California corporation, limited partnership, limited liability company] (“Consultant”).

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide professional auditing services.

B. Consultant, its response to City’s Request for Proposals (“RFP”) represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The parties therefore agree as follows:

1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services, attached as **Exhibit A** and incorporated herein by this reference. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement. Consultant’s proposal is attached as **Exhibit C** and incorporated herein by this reference. In the case of any conflict or inconsistency between this Agreement and any Exhibit, the language of the Agreement shall take precedence and, in the case of any conflict or inconsistency between Exhibits, the Exhibits shall take priority in alphabetical order.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be:

[Name], [Title] (the “Consultant Representative”)
[E-mail Address]

The Consultant Representative shall directly manage Consultant’s services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the services on the Effective Date and shall perform all services in conformance with the Time for Performance section included in **Exhibit A**, Scope of Services.

D. Standard of Performance. Consultant shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations, accounting standards as specified in the RFP and **Exhibit A**, and requirements applicable to this Agreement.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

2. Term of Agreement. The term of this Agreement shall be from the Effective Date through June 30, 2025, with two optional one-year extensions, unless sooner terminated as provided in Section 13 of this Agreement or extended.

3. Compensation.

A. Compensation. As full compensation for Consultant's services provided under this Agreement, City shall pay Consultant a sum not to exceed **[Written Amount]** Dollars (\$**[Numerical Amount]**) per year (the "maximum annual compensation"), based on the hourly rates set forth in the Approved Fee Schedule, attached hereto as **Exhibit B**.

B. Expenses. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

B. Additional Services. City shall not allow any claims for additional services performed by Consultant, unless the City Council and the Consultant Representative authorize the additional services in writing prior to Consultant's performance of the additional services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten (10) business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth in Section 3 of this Agreement. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this agreement available during Consultant's regular working hours to City for review and audit by City for a minimum of five (5) years, unless the Consultant is notified, in writing, by the City of the need to extend the retention period. The Consultant will be required to make records available, upon request, to parties authorized by the City to have access to such documents. In addition, Consultant shall respond to reasonable inquiries of successor consultants and allow successor consultants to review documents and working papers relating to matters of continuing accounting significance. Ownership of Documents. All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain City's property without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

5. Ownership of Documents. All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of Consultant without restriction or limitation upon their use or dissemination by Consultant. City may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by City.

6. Independent Contractor. Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

7. Confidentiality. All data, documents, discussion, or other information (collectively "data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential. Consultant shall keep all data confidential and shall not disclose any data to any person or entity without City's prior written consent. City

shall grant such consent if disclosure is legally required. Consultant shall return all data to City upon the expiration or termination of this Agreement. Consultant's covenant under this Section 7 shall survive the expiration or termination of this Agreement.

8. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section 8 into any subcontract that Consultant executes in connection with the performance of this Agreement.

9. Indemnification.

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising 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 Liability 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 Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all

taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 Subparagraph A. 2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 9 from each and every subcontractor 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 obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising 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.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section 9, 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 officers, agents, employees and volunteers.

C. 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 in this Section 9 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section 9 shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Four Million Dollars (\$4,000,000) per project or location. 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.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars (\$2,000,000) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 10.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has not employees.

4) Professional Liability Insurance (Errors and Omissions Insurance) with minimum limits of Two Million Dollars (\$2,000,000) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section 10 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section 10.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 10 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section 10 shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section 10 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) days' prior written notice to City. If any insurance policy required under this Section 10 is canceled or reduced in coverage or limits, Consultant shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section 10 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 10, 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.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 10. The endorsements are subject to City's approval. 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. Consultant shall provide proof to City's Risk Manager 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 (2) weeks prior to the expiration of the coverages.

J. 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 duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. 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 10.

11. Mutual Cooperation.

A. 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.

B. Consultant's Cooperation. In the event any claim or action is brought against the City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

12. Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of five (5) years. Consultant shall, without charge, provide City with access to the records during normal business hours. City may examine and audit the records and make transcripts therefrom, and inspect all program data, documents, proceedings and activities.

13. Termination of Agreement.

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five (5) calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least sixty (60) calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

14. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

15. Notices. Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three business days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the party to be notified as set forth below:

If to City:
Attn: Alice D. Atkins, City Clerk
City of Monrovia
415 South Ivy Avenue
Monrovia, California 91016

If to Consultant:

With a courtesy copy to:

Craig A. Steele, City Attorney
Richards, Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, CA 90071

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. 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 may have or acquire a right by virtue of this Agreement.

19. Exhibits. Exhibits A, B, C constitute material parts of this Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control and, if necessary, the Exhibits shall be prioritized in alphabetical order.

20. Entire Agreement and Modification of Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may be modified only by a writing signed by both parties.

21. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

22. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

23. 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.

24. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to 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. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Monrovia.

25. Attorneys’ Fees. In any litigation or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded reasonable attorneys’ fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

26. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

[SIGNATURE PAGE FOLLOWS]

The parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Monrovia,
a California municipal corporation

Consultant:

[Consultant's Legal Name],
a [Legal Form of Entity]

By: _____

Name: Dylan Feik
Title: City Manager

By: _____

Name: [Name of Authorized Signer]
Title: [Title of Authorized Signer]
Email: [Email of Authorized Signer]

ATTEST:

By: _____

Name: Alice D. Atkins, MMC
Title: City Clerk

By: _____

Name: [Name of Authorized Signer]
Title: [Title of Authorized Signer]
Email: [Email of Authorized Signer]

APPROVED AS TO FORM:

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

By: _____

Name: Craig A. Steele
Title: City Attorney

EXHIBIT A SCOPE OF SERVICES

Scope of Work to be Performed

Consultant shall perform professional auditing services, as follows:

1. Perform an audit of all funds of the City of Monrovia. The audit will be conducted in accordance with Generally Accepted Government Auditing Standards as specified in the City's RFP. The ACFR will be prepared by the firm and be in full compliance with all current GASB pronouncements. The firm will render its auditors' report on the basic financial statements, which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis and required supplementary information.
2. The audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with requirements applicable to each major program, internal control over compliance and on the schedule of expenditures of federal awards, in accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weakness, and follow-up on prior audit findings where required.
3. The firm shall issue a separate "Management Letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters should be addressed to the City Manager.
4. The firm shall perform agreed upon audit procedures pertaining to the City's GANN Limit and render a letter, annually, to the City regarding compliance.
5. The firm shall prepare the Annual State Controller's Report for the prescribed authority in the requested format by the State Controller's Office. A draft of the report should be provided to City staff by January 15 each year, for review before final submission.
6. The firm will prepare separate component unit financial statements for the Monrovia Housing Authority (the Housing Successor) in conformance with all current GASB pronouncements.
7. In addition to expressing an opinion on the City's compliance with current governmental GAAP, the audit firm shall also be required to provide assistance in the implementation of applicable GASB pronouncements not yet in effect.

Auditing Standards to be Followed

To meet the requirements of this RFP, the audit shall be performed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in the most current version of the Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act as amended in 1996; and
4. The audit requirements of Title 2 I.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and
5. Any other applicable standards for conducting examinations of those items outlined in the Scope of Services and/or reports to be issued in conjunction therewith outlined in the section reports to be issued.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. The City's Annual Comprehensive Financial Report (ACFR) shall be in accordance and/or in compliance with the latest GASB pronouncements and requirements of other regulatory agencies. Ten (10) hardcopies and one (1) digital copy in searchable Adobe Acrobat format must be provided.
2. Financial statements for the Monrovia Housing Authority (the Housing Successor) in the form of 3 hard copies and 1 digital file in searchable Adobe Acrobat format.
3. A Single Audit Report, which includes a report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, and a report on compliance and internal controls over compliance applicable to each major federal award program. In addition, the Single Audit Report should also include all other necessary components as required by OMB Circular A-133 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Three (3) copies and one (1) digital file in searchable Adobe Acrobat format must be provided.
4. A letter on the City's compliance with the Proposition 111 GANN Appropriations Limit for each respective fiscal year.
5. State Controller Transactions Reports for the City and City Financing Authority.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The reports on compliance shall include all instances of noncompliance.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Dylan Feik, City Manager
Craig A. Steele, City Attorney
Buffy Bullis, Administrative Services Director

Time for Performance

Each of the following should be completed for each audit engagement:

- Pre-audit conference and interim fieldwork. The pre-audit conference can be scheduled at the start of the interim fieldwork. Both should be completed by June 30th. If this is not be feasible for the first year due to time constraints, a different date will be discussed. A detailed audit plan should be provided, including a list of all schedules to be prepared by the City of Monrovia, by the end of interim fieldwork.
- Year-end fieldwork should commence no sooner than October 15 and no later than October 31, and draft reports should be available **by November 15th**. The following reports should be made available by the dates below:

Monrovia Housing Authority Report	December 1
Photo-Ready Audit Report (ACFR)	December 10
Management Letter Comments	December 10
Report on the Gann Limit Calculation	December 10
State Controller Report - City of Monrovia	January 15
State Controller Report - Financing Authority	January 15
Single Audit Report	March 1

Special Considerations

- The City of Monrovia has obtained the “Certificate of Achievement for Excellence in Financial Reporting” from the Government Finance Officers Association of the United States and Canada. It is the City’s intention to continue to receive this award annually and will expect the annual financial report to meet the requirements of that program.
- The schedule of expenditures of federal awards and related auditor’s report, as well as the reports on the internal controls and compliance, are not to be included in the comprehensive annual financial report, but are to be issued separately. The auditors will be responsible for preparation of this report.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified, in writing, by the City of Monrovia of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Monrovia
- Department of Housing and Urban Development
- U.S. Governmental Accountability Office (GAO)
- Parties designated by the federal or state governments or by the City of Monrovia as part of an audit quality review process
- Auditors of entities of which the City is a sub-recipient of grant funds

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

Other

The auditors will be consulted on an occasional basis throughout the year as an informational resource. Auditors may be asked to provide guidance on the implementation of Governmental Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting. In addition, they may be asked to assist with the implementation of new pronouncements. The firm's partner/manager will be required to present the ACFR to the City Council and may be required to occasionally attend a City Council meeting to explain or clarify financial statement information or accounting requirements. Additionally, the firm's partner will be required to attend audit committee meetings. Currently, two (2) mandatory meetings are held each year, one at the beginning and one at the end of the audit to renew the draft ACFR with the Committee. Additional meetings may be required throughout the year.

EXHIBIT B
APPROVED FEE SCHEDULE

**EXHIBIT C
CONSULTANT PROPOSAL**