



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

## **REQUEST FOR PROPOSALS**

### **Professional Auditing Services**

**City of Folsom  
50 Natoma Street  
Folsom CA 95630**

**January 2024**

# ***I. INTRODUCTION***

## **A. General Information**

The City of Folsom (City) is requesting proposals from qualified certified public accounting firms to audit its financial statements for the three fiscal years beginning with the fiscal year ending June 30, 2024. The term of the agreement will also include an option to renew for two consecutive one year periods. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office's (GAO) Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, provisions of the Single Audit Act of 1984, as amended in 1996, the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and Governmental Accounting Standards Board (GASB) Pronouncements.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

All property rights, including publication rights of all reports produced by Proposer in connection with services performed under this agreement shall be vested in the City. The Proposer shall not publish or release any of the results of its examination without the express written permission of the City.

During the evaluation process the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from the Proposers. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The bidder to whom award is made shall execute a written contract with the City within ten (10) calendar days after notice of the award has been sent by mail to the address given in the proposal. The contract shall be made in the form adopted by the City and incorporated in these specifications. A recommendation and proposed contract will be prepared for review and approval by the City Council at its April 9th, 2024 meeting. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

## **B. Term of Engagement**

It is the intent of the City to contract for the services presented herein for a term of three (3) years with an option to renew for 2 consecutive one year periods. The proposal package shall present all inclusive audit fees for each year of the contract term.

## ***II. NATURE OF SERVICES REQUIRED***

### **A. Scope of the Work to be Performed**

The City's goal is to provide the public and its constituents with a comprehensive financial report that gives complete, accurate and understandable information about the City's financial condition. The selected independent auditor will be required to perform the following tasks:

1. Audit of the Annual Comprehensive Financial Report of the City in conformity with generally accepted accounting principles and issue an opinion thereon. The auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving managements discussion and analysis (MD&A), required supplementary information (RSI), and other information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

2. The City has a Folsom Successor Agency Private Purpose Trust Fund which requires a financial audit. Auditor will prepare and publish an audit report.
3. Test compliance with the Single Audit Act and applicable laws and regulations. It is expected that the auditor will prepare and publish an audit report.
4. The City has a Folsom Public Financing Authority which requires a financial audit. Auditor will prepare and publish an audit report.
5. The City has a Folsom Ranch Financing Authority which requires a financial audit. Auditor will prepare and publish an audit report.
6. Test compliance with Proposition 111, Article XIII.B – Review of Appropriation Limit Calculations.
7. Management and SAS 114 Letters.
8. The firm selected may also be asked to examine other reports or perform other services as required.

### **B. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, these audits are to be performed in accordance with all applicable and generally accepted auditing standards including, but not limited to: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office's (GAO) Government Auditing: Standards, and in the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

### **C. Reports to be issued**

Following completion of the audit, the auditor shall issue:

1. Reports on the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America as listed below:
  - a) Financial Statements for the City;
  - b) Audit Report for The City of Folsom Single Audit Act;
  - c) Component Unit Financial Statements for The Folsom Successor Agency of the City of Folsom;
  - d) Component Unit Financial Statements for The Folsom Public Financing Authority;
  - e) Component Unit Financial Statements for The Folsom Ranch Financing Authority;
2. A report based on the auditor's understanding of the internal control structure and assessment of control risk. In this report, the auditor will also communicate any reportable conditions found during the audit and indicate whether they are also material weaknesses (see #8 below for related item).
3. A separate report on the auditor's analysis of the internal control structure used in the administration of federal financial assistance programs.
4. A report on the City's compliance with laws and regulations related to "major" federal awards including an opinion on compliance with specific requirements applicable to "major" federal awards programs. The report on compliance shall include all instances of non-compliance.
5. Management and SAS 114 Letters addressed to the City Council of the City of Folsom.
6. The auditor shall communicate in a letter to the Finance Director 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. "No reportable conditions" discovered by the auditor shall be communicated in the "Management Letter".
7. A report on the City's compliance with Proposition 111, Article XIII.B of the California State Constitution and Government Code 7900 (et seq.) in its calculation of the "Gann Limit".
8. Auditors shall be required to make immediate, written notification to the City Manager, Finance Director and City Attorney of all irregularities and illegal acts or indications of illegal acts of which they become aware.

### **D. Other Communications**

The independent auditor shall make all communications to the City required by the audit standards under which the engagement is performed. Those communications include, but are not limited to:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.

3. Management judgment and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.
10. Errors, irregularities, and illegal acts.

The independent auditor must be available to present the audit plan prior to beginning field work. In addition, the independent auditor must be available to present all final reports to City management and the City Council as requested.

#### **E. Special Considerations**

The City of Folsom has received awards from the Government Finance Officers Association (GFOA) for the “Certificate of Achievement for Excellence in Financial Reporting” for over thirty years. The City has not yet received the results of the review of the report for the period ended June 30, 2023.

The City anticipates that it will continue to send its annual comprehensive financial report to the GFOA for review in their Certificate of Achievement for Excellence in Financial Reporting program. The format of reports shall allow the City to meet the requirements of the program. This also requires that the Auditor ensure that the audit report is complete in time for submission to GFOA.

#### **F. Working Paper Retention and Access to Working Papers**

All work papers and reports must be retained, at the auditor’s expense, for a minimum of five years (or the retention timeframe established by the professional standards, whichever is longer) unless the firm is notified in writing by the City of the need to extend the retention period. The work papers are subject to review by federal and state agencies and other individuals designated by the City. Accordingly, the work papers shall be made available upon request.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers.

#### **G. Journal Entries**

All adjusting journal entries recommended by the independent auditors must be discussed and explained to the designated Finance Department personnel prior to recording. They should be in a format that shows the lowest level of posting detail needed for data entry in the general ledger systems.

### ***III. DESCRIPTION OF THE CITY OF FOLSOM***

#### **A. Name and Telephone Number of Contact Person**

Any questions regarding this proposal or additional information required by the respondents should be directed to:

Adam Devlin  
Financial Services Manager  
City of Folsom  
50 Natoma Street  
Folsom, California 95630  
adevlin@folsom.ca.us  
916-461-6089

#### **B. Background Information**

The City of Folsom (the “City”) is located approximately 110 miles northeast of San Francisco and 20 miles east of Sacramento in the easterly portion of Sacramento County. The City is located along the eastern end of the Highway 50 corridor in an area of the Sacramento Valley that has experienced considerable industrial, residential and commercial growth over the last twenty years. The City was incorporated in 1946 and chartered in 1990. The City’s primary governing body is the City Council, composed of five members who are elected at large and who serve four-year terms. The council members choose a mayor and vice mayor from among their members. The City operates under a Council-Manager form of government. The City Manager, who is appointed by the City Council, administers the daily affairs of the City and carries out City Council policies.

The City serves a population of approximately 85,498. The City provides a number of municipal services, including Police, Fire, Street Maintenance, Library, Parks and Recreation, Water, Wastewater, Solid Waste collection, and Community Development. The City’s accounting and financial reporting functions are centralized within the Finance Department.

The General Fund budget for FY 2023-24 is \$109 million.

The City currently maintains Internal Service Funds for Equipment Replacement, Risk Management and Compensated Leaves.

The City maintains its Capital assets and general long-term debt in their respective Account Groups.

The Enterprise funds consist of: Water, Wastewater, Solid Waste, and Facilities Augmentation fees.

The City also has Special Revenue funds, Debt Service Funds, Capital Project Funds and a Permanent Fund. The Folsom Public Financing Authority and the Folsom Ranch Financing Authority are classified as Debt Service Funds.

The City will fall under the Single Audit act as it will receive funds in an amount greater than \$500,000.

The Finance Department bills over 26,500 Utility accounts monthly. 3,500+ checks through lock box, 4,500+ from credit cards, 6,400 through online personal banking transfer, 9,500+ Echeck electronic transfer, and 350+ counter payments (cash and check).

The City participates both in PERS and Social Security.

The City participates in a Joint Powers Agreement with other Northern California cities for the purpose of creating a common pool of funds to be used to meet obligation of the parties to provide workers' compensation benefits for their employees. The City also participates in this pool for liability insurance.

### **C. Basis of Accounting and Fund Structure**

The reporting entity of the City includes the Public Financing Authority and the Folsom Ranch Financing Authority because the City Council sits as the Board of Commissioners for these entities and they are dependent on City staff for record keeping and financial reporting activities. The City uses the following fund types and account groups in its financial reporting:

#### **Governmental Fund Types**

- General Fund (several funds are rolled into the General Fund)

- Special Revenue Funds (14 funds)

- Capital Projects Funds (17 funds)

- Debt Service (7 funds)

#### **Proprietary Fund Types**

- Enterprise Funds (4 funds)

- Internal Service (3 funds)

#### **Fiduciary Fund Types**

- Custodial Funds (38 funds)

- Other Post-Employment Benefits Trust Fund

- Private Purpose Trust Fund (1 Fund) - Folsom Redevelopment Successor Agency

#### **Account Groups**

- Capital Assets

- General Long-Term Debt

The City may make additions to and/or deletions from this list included and to the component units included in the reporting entity as deemed necessary.

### **D. Computer System**

The current ERP system is a combination of Windows Server 2019 VM's with a MS SQL backend; There are still some ERP financial applications running on a AS400 hardware Platform . The Windows server farm runs on Central Square Technologies Finance Enterprise Suite of products; While the AS400 implementation runs Central Square Technologies Naviline Select financial suite, both products are provided by Central Square Technologies based in Orlando, Florida. The general ledger information has transitioned from CST OneSolution Financial suite to CST new Finance Enterprise Financial Suite. Fleet is still in the road map to transition to CST new Enterprise Asset

Management System. The City has been with Central Square Technologies Inc since October 1996 when the first application went live.

#### **E. Availability of Prior Reports and Work Papers**

The City's most recent audit was conducted by Badawi & Associates in California. The work papers of the previous audits are the property of the previous auditor and can be reviewed by the successful Proposer. The following financial statements were prepared or audited by Badawi & Associates for the fiscal year ending June 30, 2023:

- a) Financial Statements for the City (Basic Financial Statements)
- b) Single Audit Report for the City of Folsom
- c) Component Unit Financial Statements for the Folsom Successor Agency
- d) Component Unit Financial Statements for the Folsom Ranch Financing Authority
- e) Component Unit Financial Statements for the Folsom Public Financing Authority
- f) GANN Limit AUP

### ***IV. TIME REQUIREMENTS***

#### **A. Proposal Calendar**

The following is a list of key dates up to, and including, the date proposals are to be submitted:

<u>Date</u>	<u>Activity</u>
January 10, 2024	Request For Proposal issued
February 9, 2024	Due date for proposals (due by 3:00 p.m.)
Week of Feb. 26, 2024	Oral Interviews (conducted at City's discretion and subject to change)
April 9 <sup>th</sup> , 2024	Contract awarded by City Council (subject to change)

It would be preferred that the selected Audit firm schedule two field visits. One for interim work in late June, and the second beginning in late October and remaining until fieldwork is accomplished.

### ***V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION***

#### **A. Finance Department and Clerical Assistance**

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The Financial Services Manager will be responsible for acting as the liaison between the audit firm and the accounting personnel. Consideration must be given to the on-going tasks of the finance department.

#### **B. Work Area, Internet, Photocopying, and scanning**

The City will provide the auditor with a reasonable workspace, internet, photocopying facilities and a scanner.



## **C. Report Preparation**

### *1. Comprehensive Financial Statement*

City personnel are currently responsible for compiling the annual comprehensive financial report and providing this information to the auditor either electronically or in hard copy. City staff prints and binds.

### *2. Single Audit Report*

Auditor prepares

### *3. Folsom Successor Agency Financial Statements*

City staff prepares

### *4. The Folsom Public Financing Authority Financial Statements*

City staff prepares

### *5. The Folsom Ranch Financing Authority Financial Statements*

City staff prepares

### *6. Independent Accountant's Report on Applying Agreed-Upon Procedures*

Auditor prepares

The City is open to discussions regarding the division of these activities in order to produce the most cost-effective product for both the City and the auditor.

There may be "Additional Alternative Projects" requested by the City.

## **VI. PROPOSAL REQUIREMENTS**

### **A. General Requirements**

1. Inquiries concerning the Request for Proposals and the subject of the Request for Proposals may be made to Adam Devlin as described in Section III A above.
2. Submission of Proposal. An original and three (3) copies of the Proposal shall be received in the office of the Chief Financial Officer of the City of Folsom by 3:00 p.m. on Friday, February 9, 2024 for a proposal to be considered. The Proposal should address the items listed in sections C and D below.

The Proposal should be addressed as follows:

**Chief Financial Officer  
City of Folsom  
50 Natoma Street  
Folsom, CA 95630**

Proposals received after 3:00 p.m., February 9, 2024 will not be considered by the City and shall be returned, unopened, to the Proposer.

## **B. Format for Proposal**

The format of the Proposal shall be as follows:

1. *Title Page*  
Show the RFP subject, name of the audit firm, local address, telephone number, name and title and email address of contact person, and date of submission.
2. *Table of Contents*  
Include a clear and complete identification of the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.
3. *Transmittal Letter*  
General introduction and briefly stating the Proposer's understanding of the audit services to be performed; a positive commitment to perform the service within the time period specified; the name(s) of the person(s) authorized to represent the Proposer, title, address, and telephone number.
4. *Detailed Proposal*  
The detailed proposal should follow the format set out in Section C below.

## **C. Contents of Technical Proposal**

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 in conformity with the requirements of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal requirements.

The Technical Proposal should address all the points in the order outlined in the Request for Proposals (excluding any cost information which should only be included in the Cost Proposal section). The proposal should be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the Request for Proposal. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

1. *License to Practice in California.*  
An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.
2. *Independence*  
The firm should provide an affirmative statement that it is independent of the City of Folsom as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.
3. *Business License*

The independent auditor selected must possess a City of Folsom Business License while conducting any work under this contract.

4. *Insurance*

Attached to the RFP is a draft copy of the City's Consultant Services Agreement (Agreement) (**Attachment A**) which contains the insurance requirements. The selected firm will maintain the minimum insurance requirements during the entire term of their engagement. To confirm this requirement, within 15 days from the execution of the Agreement, the selected firm shall furnish the City satisfactory evidence of the insurance requirement and evidence that each carrier is required to give at least 30 days prior written notice of the cancellation of any policy during the effective period of the Agreement. The City shall be named as an additional named insured under the selected firm's policies as noted in the Agreement.

5. *Firm Qualifications and Experience*

- a) ***To qualify the firm must have extensive experience in audits of local governments as well as experience with preparation of Annual Comprehensive Financial Reports..*** The Proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Consistence of staff is an important consideration.

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

If the Proposer will be subcontracting any portion of the audit to another individual or firm, the proposal must include a list of all subcontractors to be used. No substitutions of subcontractors may be made without prior written consent of the City.

- b) The Proposer is also required to submit a copy of the report on its most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements (required by *Government Audit Standards (1994)*).

The Proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the Proposer shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

6. *Partner, Supervisory and Staff Qualifications and Experience*

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

- b) 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 will be assured over the term of the agreement.
- c) Principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists may be changed during the course of the agreement, however, the City reserves the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience.

7. *Similar Engagements with Other Government Entities*

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this Request For Proposal. 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. Also please indicate whether the audit was part of an Annual Comprehensive Financial Report.

Please provide a list of not less than three client references for whom services similar to those outlined in this RFP are currently being provided. For each reference listed provide the name of the organization, approximate gross cost of the contract, dates for which the service(s) are being provided, type of service(s) being provided and the name, address and telephone number 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.

8. *Specific Audit Approach*

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

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 segment;
- c. Sample sizes and extent of the use of statistical sampling techniques;
- d. Extent of use of EDP in the engagement;
- e. Type and extent of analytical procedures to be used in the engagement;
- f. Approach to be taken in determining laws and regulations that will be subject to audit test work;
- g. Approach to be taken to gain and document an understanding of the City's internal control structure; and
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

9. *Identification of Anticipated Potential Audit Problems*

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

#### **D. Contents of Cost Proposal**

*1. Total All-Inclusive Maximum Price*

The cost proposal should contain all pricing information relative to performing the audit engagement as described in the 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 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 cost proposal should be submitted on the attached "COST PROPOSAL SUBMITTAL FORM" (or a facsimile of same) (***Attachment B***) which includes:

- ***PROPOSAL SUBMITTAL SUMMARY:*** a total all-inclusive maximum price for the first three years of the engagement plus the maximum estimated percentage increase for the optional two additional years (5-year total proposal).
- ***PROPOSAL SUBMITTAL SUPPORTING DETAIL:*** detailed information to support the amounts in the "Proposal Submittal Summary" including hourly rates and total hours by staff class, as well as incidental expenses if applicable for each aspect of the proposal.
- ***FIRM INFORMATION AND CERTIFICATION:*** Name of firm, contact name and certification that the person signing the proposal is authorized to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City

*2. Manner of Payment*

Progress payments will be made on the basis of pro-rated audit work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal.

## *Attachment A*

### City of Folsom Consultants Services Agreement



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

## CITY OF FOLSOM

### CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Agreement is entered into as of \_\_\_\_\_, 2024 ("Effective Date") by and between the City of Folsom, a Municipal Corporation, hereinafter referred to as "City" and \_\_\_\_\_, hereinafter referred to as "Consultant."

#### WITNESSETH:

WHEREAS, City desires to hire a consultant to provide \_\_\_\_\_ services at various locations throughout the City and on an on-call basis; and,

WHEREAS, Consultant, by reason of its qualifications, experience, and facilities for performing the type of services contemplated herein, has proposed to provide the requested services.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, City and Consultant agree as follows:

#### **1. Scope of Service**

The scope of service covered by this Agreement includes all consulting services described and contained in Exhibit A, attached hereto and by this reference incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in Exhibit A, the terms and conditions set forth in this Agreement shall prevail.

#### **2. Term of Agreement**

The term of this Agreement shall commence on the Effective Date and shall continue until all services provided for in this Agreement have been performed or for one year, whichever is sooner, unless otherwise terminated as set forth in Paragraph 17 of this Agreement.

#### **3. Schedule for Performance**

City and Consultant agree that time is of the essence in the performance of this work, and Consultant agrees to produce documents in the times stated in the Proposal. Deviations from the time schedule stated in the Proposal may be made with the approval of the \_\_\_\_\_ Director, or his/her authorized representative.

**4. Compensation**

Compensation for the services shall be paid on a time-and-materials, not-to-exceed basis. The maximum compensation for the services specified in Exhibit A, including any and all costs or expenses, is \_\_\_\_\_. In the event the cost for services exceeds \_\_\_\_\_, Consultant agrees to complete all services enumerated in Exhibit A at no additional expense to City.

The City shall have the right to review all books and records kept by the Consultant and any subcontractors in connection with the operation and services performed under this Agreement. The City shall withhold payment for any expenditure not substantiated by Consultant's or subcontractor's books and records. In the event the City has made payment for expenditures that are not allowed, as determined by the City's audit, the Consultant shall reimburse the City for the amount of the disallowed expenditures. City shall make no payment for any services not specified in Exhibit A of this Agreement unless such additional services and the price thereof are agreed to in writing and approved by the City prior to the time that such additional services are rendered.

**5. Invoicing, Payment, Notices**

A. Consultant shall submit periodic invoices, not more frequently than monthly, for the services rendered during the preceding period. Invoices shall describe the services performed and costs incurred, the person(s) rendering performed services, the amount of time spent by such person(s), and the applicable hourly rate. Invoices that include charges for services rendered during the month of June shall not include any charges incurred after June 30th. A separate invoice shall be submitted for all services rendered after June 30th.

B. Consultant shall transmit invoices and any notices required by this Agreement, to City as follows:

\_\_\_\_\_  
\_\_\_\_\_  
City of Folsom  
50 Natoma Street  
Folsom, California 95630

C. City shall transmit payments on invoiced amounts, and any notices required by this Agreement to Consultant as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**6. Professional Services**

Consultant agrees that services shall be performed and completed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Consultant and its subcontractors or agents are engaged. Consultant shall not, either during or after the term of this Agreement, make public any reports or articles, or disclose to any third party any confidential information relative to the work of City or the operations or procedures of the City without the prior written consent of City.

Consultant further agrees that it shall not, during the term of this Agreement, take any action that would affect the appearance of impartiality or professionalism.

**7. Independent Contractor**

A. It is understood and agreed that Consultant (including Consultant's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, Consultant is to acquire same at its sole expense.

B. Consultant's assigned personnel shall not be entitled to any benefits payable to employees of City.

C. City is not required to make any deductions or withholdings from the compensation payable to Consultant under the provisions of the Agreement, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel.

D. Consultant, in the performance of its obligation hereunder, is only subject to the control or direction of City as to the designation of tasks to be performed and the results to be accomplished.

E. Any third persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant.

F. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement. In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall further indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

## **8. Authority of Consultant**

Consultant enters into this Agreement as an independent contractor and not as an officer, employee or representative of the City. Accordingly, Consultant shall provide information, recommendation, and advice to City, but shall possess no authority with respect to any City decision and no right to act on behalf of City in any capacity as agent, or to bind City to any obligations whatsoever.

## **9. Conflict of Interest**

Consultant certifies that it has disclosed to City any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this Agreement. Consultant agrees to advise City of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this Agreement. Consultant further agrees to complete any statements of economic interest required by either City ordinance or State law.

Neither this Agreement, any duties or obligations under this Agreement, nor the intention or expectations of the City will cause the Consultant to be a “public official” as that term is used in California Government Code section 87100. The City and Consultant agree that the Consultant is not a “public official” or “participating in governmental decisions” as those terms are used in section 87100. The City and Consultant also agree that no actions and opinions necessary for the performance of duties under this Agreement will cause the Consultant to be a “public official” or “participating in a governmental decision” as those terms are used in section 87100. Nothing in this Agreement shall be construed to be inconsistent with the Consultant’s status as an independent contractor.

## **10. Assignment and Subcontracting**

Consultant's rights, duties and obligations under this Agreement are not assignable or transferable, and Consultant shall not subcontract any work, without the prior written approval of the City.

## **11. Ownership of Work Product**

All technical data, evaluations, reports, plans and other work products of Consultant provided hereunder shall become the property of City and shall be delivered to City upon completion of the services authorized hereunder. Consultant may retain copies thereof for its files and internal use. City representatives shall have access to work products for the purpose of inspecting same and determining that the services are being performed in accordance with the terms of the Agreement. Publication of the information derived from work performed or data obtained in connection with services rendered under this Agreement must be approved in writing by City.

Both parties recognize that the City is a public entity subject to the requirements of the California Public Records Act (“PRA”). Consultant understands that the release of any written, printed, graphic, or electronically recorded information and document delivered by Consultant to the City will be governed by the PRA and agrees that the release of such material pursuant to the PRA shall not require Consultant’s prior consent or approval.

**12. Indemnification**

Consultant shall indemnify, protect, defend, save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply, and shall further survive the expiration or termination of this Agreement. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

**13. Insurance**

During the term of this Agreement, Consultant shall maintain and provide evidence of insurance coverage as set forth in Exhibit B, attached hereto and incorporated herein by reference, at its own cost and expense.

**14. Employment Practices**

Consultant, by execution of this Agreement, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, disability or marital status in its employment practices.

**15. Licenses, Permits, Etc.**

Consultant represents and warrants to City that it has all licenses, permits, qualifications and approvals of whatsoever nature legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, obtain and/or keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession at the time the services are performed.

**16. Records**

Consultant shall maintain records, books, documents and other evidence directly pertinent to the performance of work under this Agreement in accordance with generally accepted accounting principles and practices.

**17. Termination**

A. City or Consultant may terminate this Agreement by providing thirty (30) days written notice prior to the effective termination date.

B. In the event of such termination, City shall pay Consultant for all services actually rendered up to and including the date of termination.

C. Consultant shall deliver to City copies of all drawings, reports, analyses, and investigations whether completed or not, prepared or in the process of being prepared under the provisions of this Agreement.

**18. Amendments**

Any modification or amendment of any provision of this agreement shall be in writing and must be executed by both parties hereto.

**19. Incidental Beneficiaries**

It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to City and Consultant. Nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any third person. It is the express intent of the City and Consultant that any such person or entity, other than City and Consultant, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary.

**20. Miscellaneous Provisions**

A. Attorneys' Fees: In the event an action or proceeding is instituted by either party for the breach or enforcement of any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees according to law.

B. Venue: This Agreement shall be deemed to be made in, and the rights and liabilities of the parties, and the interpretation and construction of the Agreement governed by and construed in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a state court in the County of Sacramento, State of California.

C. Enforceability: If any term or provision of this Agreement is found to be void, voidable, invalid or unenforceable by a court of competent jurisdiction under the laws of the State of California, any and all of the remaining terms and provisions of this Agreement shall remain binding.

D. Time: All times stated herein or in any other contract documents are of the essence.

E. Binding: This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of Consultant and to the successors in interest of City in the same manner as if such parties had been expressly named herein.

F. Survivorship: Any responsibility of Consultant for warranties, insurance, indemnity, record keeping or compliance with laws with respect to this Agreement shall not be invalidated due to the expiration, termination or cancellation of this Agreement.

G. Waiver: In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

**21. Entire Agreement**

This instrument and any attachments hereto constitute the entire Agreement between the City and Consultant concerning the subject matter hereof and supersedes any and all prior oral and written communications between the parties regarding the subject matter hereof.

**22. Authority to Execute**

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

**23. Counterparts**

This agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties at such time as all of the signatories hereto have signed a counterpart of this Agreement. All counterparts so executed shall constitute one Agreement binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

END OF TEXT - SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

CONSULTANT:

*(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tax I.D. Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

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

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

CITY OF FOLSOM, A Municipal Corporation:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:

\_\_\_\_\_  
Christa Freemantle, City Clerk                      Date

\_\_\_\_\_  
Stacey Tamagni, Finance Director                      Date

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

\_\_\_\_\_  
Director                      Date

\_\_\_\_\_  
Steven Wang, City Attorney                      Date

**NOTICE: SIGNATURE(S) ON BEHALF OF CONSULTANT MUST BE NOTARIZED.**

*A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."*

## **EXHIBIT A**

(Scope of Work)

See following pages.

## **EXHIBIT B**

### **INSURANCE**

NOTE: The word “Consultant” in this Exhibit refers to either “Consultant” or “Contractor” as the term is used in the Agreement/Contract to which this Exhibit is attached.

- A. During the term of this Agreement, Consultant shall maintain in full force and effect at all times during the term of the contract, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

- a. General liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.
- b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).
- c. Claims-made coverage is not acceptable.
- d. The limits of liability shall not be less than:

Each occurrence:	One Million Dollars (\$1,000,000)
Products & Completed Operations:	One Million Dollars (\$1,000,000)
Personal & Advertising Injury:	One Million Dollars (\$1,000,000)
- e. If a general aggregate limit of liability is used, the minimum general aggregate shall be twice the ‘each occurrence’ limit or the policy shall contain an endorsement stating that the general aggregate limit shall apply separately to the project that is the subject of the contract.
- f. If a products and completed operations aggregate limit of liability is used, the minimum products and completed operation aggregate shall be twice the ‘each occurrence’ limit or the policy shall contain an endorsement stating that the products and completed operations aggregate limit shall apply separately to the project which is the subject of the contract.
- g. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. Automobile Liability:

- a. Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles.
- b. Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbol 1 (any auto).
- c. The limits of liability per accident shall not be less than:

Combined Single Limit	One Million Dollars (\$1,000,000)
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- d. If Automobile Liability coverage, as required above, is provided by the Commercial General Liability form, the General Liability policy shall include an endorsement providing automobile liability as required above.
- 3. **Workers' Compensation**
  - a. Workers' Compensation Insurance, with coverage as required by the State of California (unless the Consultant is a qualified self-insurer with the State of California), and Employer's Liability coverage.
  - b. Employer's Liability Coverage with a limit not less than \$1,000,000 per accident for bodily injury and disease.
  - c. Consultant shall sign and file with the City department responsible for this Agreement/Contract the Worker's Compensation Certificate contained in the Project Manual.
- 4. Insurance Required in the Supplementary Conditions: Consultant shall be required to comply with all conditions as stipulated in the Standard Construction Specifications, any supplementary conditions and any special provisions as applicable.
- 5. Professional Liability Insurance  
If required, errors and omissions, malpractice or professional liability insurance with coverage of not less than \$1,000,000 per claim.
- 6. Other Insurance Provisions:
  - a. The Consultant's General Liability and Automobile Liability policies shall contain, or be endorsed to contain, the following provisions:
    - i. The City, its officials, employees, agents and volunteers shall be covered and specifically named as additional insureds on a separate endorsement as respects liability arising out of activities 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 in a form acceptable to the City Attorney.
    - ii. The Endorsement requirement may be satisfied with express provisions in the insurance policy(ies) which identifies any person or entity required to be included as an insured under the policy. A copy of the declarations page identifying the policy number, and pertinent provisions in the policy providing additional insured coverage shall be provided to the City.
    - iii. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents or volunteers.
  - b. For any claims related to the project, the Consultant's General Liability and Automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
  - c. Any failure to comply with reporting or other provisions of the policies on the part of the Consultant, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
  - d. The Consultant's Workers Compensation and Employer's Liability policies shall contain an endorsement that waives any rights of subrogation against the City, its officers, officials, employees, agents, and volunteers.

- e. Each insurance policy shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, non-renewed, or materially changed except after **30 days prior written notice** by certified mail has been given to the City. Ten days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.
- 7. Acceptability of Insurers: Insurance is to be placed with insurers with a **Bests' rating of no less than A:VII.**
- 8. The Consultant shall furnish the City with Certificates of Insurance and endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this section, the Standard Specifications, Special Provisions and/or any Supplementary Conditions. **The Consultant shall furnish complete, certified copies of all required insurance policies, including original endorsements specifically required hereunder if requested.**
- 9. The Consultant shall report, by telephone to the Project Manager within 24 hours, and also report in writing to the City within 48 hours, after Consultant or any Subcontractors or agents have knowledge of, any accident or occurrence involving death of or serious injury to any person or persons, or damage in excess of Ten Thousand Dollars (\$10,000) to property of the City or others, arising out of any work done by or on behalf of the Consultant as part of the contract.
- 10. Such report shall contain:
  - a. the date and time of the occurrence,
  - b. the names and addresses of all persons involved, and
  - c. a description of the accident or occurrence and the nature and extent of the injury or damage.
- 11. The City, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the contract by giving 30 days written notice.
- 12. If the Consultant fails to procure or maintain insurance as required by this section, the Standard Specifications, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Consultant under the contract.
- 13. Failure of the City to obtain such insurance shall in no way relieve the Consultant from any of its responsibilities under the contract.
- 14. The making of progress payments to the Consultant shall not be construed as relieving the Consultant or its Subcontractors of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
- 15. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.
- 16. In the event Consultant carries Excess Liability Coverage, the Excess Liability Coverage shall apply to any and all claims related to the project on a primary and non-contributory basis, and the City's insurance or self-insurance coverage shall be excess to the Consultant's Excess Liability Coverage.

# *Attachment B*

## *Cost Proposal and Certification for Professional Auditing Services Proposal*

### Cost Proposal Submittal Summary:

	Fiscal Year 2023-24	Fiscal Year 2024-2025	Fiscal Year 2025-2026	Fiscal Year 2027-2028 Maximum % Increase	Fiscal Year 2028-2029 Maximum % Increase
<b>Financial Statements</b>					
Audit Basic Financial Statements, Reports & Opinions	\$ _____	\$ _____	\$ _____	_____ %	_____ %
<b>Financial and Compliance Report &amp; Report Preparation</b>					
Folsom Successor Agency	_____	_____	_____	_____ %	_____ %
Public Financing Authority	_____	_____	_____	_____ %	_____ %
Folsom Ranch Financing Authority	_____	_____	_____	_____ %	_____ %
GANN Appropriation Limit	_____	_____	_____	_____ %	_____ %
Single Audit Act	_____	_____	_____	_____ %	_____ %
<b>Total</b>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>		

### Cost Proposal Submittal Supporting Detail:

(Detail Required For Fiscal Year 2023-2024 Only)

	Fiscal Year 2023-2024		
	Hourly Rate	Total Hours	Total Bid
<b>Financial Statements</b>			
<b>Basic financial statements</b>			
Partners	_____	_____	_____
Managers	_____	_____	_____
Supervisory Staff	_____	_____	_____
Professional Staff	_____	_____	_____
Clerical Staff	_____	_____	_____
Other	_____	_____	_____
<b>Total</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<b>Financial and Compliance Reports</b>			
<b>Folsom Successor Agency</b>			
Partners	_____	_____	_____
Managers	_____	_____	_____
Supervisory Staff	_____	_____	_____
Professional Staff	_____	_____	_____
Clerical Staff	_____	_____	_____
Other	_____	_____	_____
<b>Total</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Financial and Compliance Reports	Fiscal Year 2023-2024		
	Hourly Rate	Total Hours	Total Bid
<b>Public Financing Authority</b>			
Partners			
Managers			
Supervisory Staff			
Professional Staff			
Clerical Staff			
Other			
<b>Total</b>			

<b>Financial and Compliance Reports</b>			
<b>Folsom Ranch Financing Authority</b>			
Partners			
Managers			
Supervisory Staff			
Professional Staff			
Clerical Staff			
Other			
<b>Total</b>			

<b>Financial and Compliance Reports</b>			
<b>GANN Appropriation Limit</b>			
Partners			
Managers			
Supervisory Staff			
Professional Staff			
Clerical Staff			
Other			
<b>Total</b>			

<b>Financial and Compliance Reports</b>			
<b>Single Audit Act</b>			
Partners			
Managers			
Supervisory Staff			
Professional Staff			
Clerical Staff			
Other			
<b>Total</b>			

The undersigned declares that he or she has carefully examined the request for proposal document and is thoroughly familiar with its contents and has satisfied himself or herself as to the nature and expectation of the work to be performed; is authorized to represent the proposing firm; and hereby agrees to perform the specified work for the cost quoted above in full.

Firm Name: \_\_\_\_\_

Firm Address: \_\_\_\_\_

\_\_\_\_\_

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

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

Contact Phone: \_\_\_\_\_

Contact Email \_\_\_\_\_

Signature of Authorized Representative:

\_\_\_\_\_

\_\_\_\_\_

Date

Signature

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

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