



CITY OF ESCONDIDO  
REQUEST FOR PROPOSALS  
FOR  
PROFESSIONAL AUDITING SERVICES  
FOR FISCAL YEARS 2015-2016 THROUGH 2019-2020

REQUEST FOR PROPOSAL #16-03

201 North Broadway  
Escondido, CA 92025-2798



<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
I. INTRODUCTION	1
II. NATURE OF SERVICES REQUIRED	3
III. DESCRIPTION OF THE GOVERNMENT	6
IV. TIME REQUIREMENTS	9
V. ASSISTANCE TO BE PROVIDED/REPORT PREPARATION	11
VI. PROPOSAL REQUIREMENTS	12
VII. GENERAL PROVISIONS	19
 <u>APPENDICES</u>	
A. Proposer Guarantees	22
B. Proposer Warranties	23
C. Format for Schedule of Professional Fees to Support the Total All-Inclusive Maximum Price	24

# I. INTRODUCTION

## A. Purpose

The City of Escondido, hereinafter referred to as "City", is requesting proposals from qualified independent certified public accounting firms to audit its financial statements for the five fiscal years beginning with the fiscal year ending June 30, 2016. This Request for Proposal hereinafter referred to as "RFP", describes the required Scope of Services, the minimum information that must be included in the proposal, and the evaluation and selection process. Each response will be evaluated on the basis of bidder's experience, cost and level of professional services. Bidders shall note that a response to this RFP does not commit the City to any course of action resulting from its receipt nor does it require the City to accept the lowest bid. Failure to submit information in accordance with this RFP's requirements and procedures may cause for disqualification.

## B. Submission Deadline

Sealed proposals should be labeled "Request for Proposal for Independent Audit Services RFP #16-03" and must be received in the office listed below on or before:

Time: 5:00 PM  
Date: April 14<sup>th</sup>  
Location: City of Escondido  
Finance Department  
Christina Holmes  
201 North Broadway  
Escondido, CA 92025

Proposals received after this time or at any other location will not be accepted. Faxed or emailed proposals will not be accepted. The City of Escondido reserves the right to reject any or all proposals submitted.

## C. Questions Concerning the RFP

Questions and requests for clarification and/or explanation regarding any aspect of this RFP, should be addressed to Christina Holmes, Revenue Manager, at [cholmes@escondido.org](mailto:cholmes@escondido.org) no later than March 28, 2016. Questions submitted after this time will not receive a response.

Respondents shall email Christina Holmes at the email indicated above to indicate their interest in receiving any City issued responses. The questions submitted and the written responses will be sent via email response to all respondents who have indicated via email their interest in receiving City responses. Questions will not be taken by phone or fax.

D. Project Schedule

The solicitation, receipt and evaluation of Firms and the selection of the provider of independent audit services will correspond to the following schedule:

Release of RFP	March 10
Deadline for Written Questions	March 28
Responses to Questions	March 31
Proposals are Due	April 14
Firm Interviews (if held)	TBD
City Council Approval of Contract	May 25

All dates are subject to change at the discretion of the City.

Proposals submitted will be evaluated by City staff with recommendation to the City Council. During the evaluation process, the City of Escondido reserves the right, where it may serve the City of Escondido's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

Right to conduct Personal Interviews

At the discretion of the City of Escondido, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Public Information

Bidders shall sign and return one (1) original proposal plus and two (2) printed copies for the City's Evaluation Team to review. The City of Escondido reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is 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 of Escondido and the firm selected.

E. Subcontracting

Firms submitting proposals may consider subcontracting portions of the engagement to small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Escondido.

## II. NATURE OF SERVICES REQUIRED

### A. General

The City of Escondido is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years 2015-2016 through 2019-2020. These audits are to be performed in accordance with the provisions contained in this request for proposals. In addition, the City may require on-going, infrequent consulting services for financial issues that may occur throughout the year. No additional charges are to be made by the selected audit firm for these financial consulting services.

### B. Scope of Work to be Performed

As a guide to the scope of the engagement, refer to the City's CAFR for the fiscal year ended June 30, 2015 and other required financial reports on the City's website within the Finance Department page.

- The auditors will perform an examination of the City's basic financial statements and required supplementary information (RSI) in accordance with the auditing standards outlined in Section IIC below, with the objective of expressing an opinion on each opinion unit of the financial statements that collectively comprise the basic financial statements. In addition, the auditors will express an "in-relation-to" opinion on the combining and individual nonmajor fund financial statements, including budgetary comparison schedules. Finally, the auditors will determine that information provided in the introductory and statistical sections of the City's CAFR conforms to amounts reported in the basic financial statements. The auditors will be responsible for rendering their opinion before December 31<sup>st</sup> of each year. The audit firm will also be responsible for preparing a draft of the notes to the basic financial statements.
- The auditors will conduct an audit of the Escondido Successor Agency in accordance with the auditing standards outlined in Section IIC below. The City has elected to include this audit report as part of the City's Comprehensive Annual Financial Report.
- The auditors will conduct an examination of the Escondido Housing Authority in accordance with the auditing standards outlined in Section IIC below. The auditors will be responsible for rendering their opinion and provide the City one electronic copy in PDF format by December 31<sup>st</sup> of each year.
- The auditors will express an opinion on the city's compliance with the Single Audit Act and the provisions of OMB Circular A-133 and other applicable laws and regulations. In addition to the audit of the federal awards, the auditor will review any materials included in the reporting package accompanying the data collection form. The City will prepare the Schedule of Expenditures of Federal Awards. The auditors will prepare the single audit report and provide one electronic copy in PDF format and 3 bound

copies each year. The auditors will complete the data collection form and required filing with the Federal Audit Clearinghouse and provide the City with one electronic copy in PDF format of the data collection form each year.

- The auditors will perform Agreed-Upon Procedures in connection with the annual calculation of the appropriations limit (Gann) as required by Section 1.5 of the Article XIII B of the California Constitution. The auditors will be responsible for rendering their opinion and provide the City one electronic copy in PDF format.
- When applicable, the auditors will issue a “management letter” that includes significant deficiencies and material weaknesses (as defined by the applicable auditing standards) that were identified during the audit. Management letters should be addressed to the City Council and should include a follow-up on the prior year’s recommendations, if any. The auditors will provide the City one electronic copy in PDF format each year.
- The auditors will issue a SAS 114 report addressed to the City Council at the conclusion of the audit. The auditors will provide the City one electronic copy in PDF format each year. (A separate SAS 114 letter addressed to the City Council should be provided during the planning phase of the audit to open the “two-way communication” between the auditors and the City Council.)
- 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: Administrative Services Director or the City Manager as appropriate.

#### C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth by the Comptroller General of the United States in the Government Auditing Standards, the provisions of the Federal Single Audit Act of 1996, as amended, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments, the California Health and Safety Code sections applicable to California Successor Agencies and California Housing Successor Agencies, and any other applicable standards for conducting examinations and/or reports to be issued in conjunction with those items outlined in Section IIB.

D. Special Considerations

- The City of Escondido will send its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Escondido to meet the requirements of that program.
- The auditors are expected to keep the City informed of new state and national developments affecting governmental finance and reporting standards and trends, including upcoming GASB pronouncements and provide advice for extraordinary transactions.
- The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the Comprehensive Annual Financial Report, but are to be issued separately.

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 seven (7) years, unless the firm is notified in writing by the City of Escondido 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 Escondido
- U.S. General Accounting Office (GAO)
- State Controllers Office
- Parties designated by the federal or state governments or by the City of Escondido as part of an audit quality review process
- Auditors of entities of which the City of Escondido is a subrecipient 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.

### III. DESCRIPTION OF THE GOVERNMENT

#### A. Name of Contact

The auditor's principal contact with the City of Escondido will be Christina Holmes, Revenue Manager, who will coordinate the assistance to be provided by the City of Escondido to the auditor.

#### B. Background Information

Day-to-day activities of the City are carried out under the direction of the City Manager. Escondido has a total of 787 full-time employees, with a payroll of approximately 980 people. The General Fund Operating budget for 2015-16 is \$90.5 million and the total City budget for the same year is \$221.6 million.

The Finance Department is headed by the Administrative Services Director and consists of 28 employees. The department is divided into 4 divisions with a manager for each division: Budget, Finance, Revenue, and Treasury.

The City uses Oracle PeopleSoft Enterprise software for the Financial Ledger and Human Resources functions. The financial system is made up of General Ledger, Accounts Payable, Purchasing, Payroll, Accounts Receivable, Billing, Inventory, and Capital Assets. The budget is prepared as a stand alone process.

The City of Escondido provides the following services to its citizens: Police, Fire, Water, Wastewater, Streets, Planning, Engineering, Building, and Community Services.

More detailed information about the government and its finances can be found on the City website at [www.escondido.org](http://www.escondido.org) including the Comprehensive Annual Financial Report for June 30, 2015 and the Annual Operating Budget for fiscal year 2015-16.

C. Fund Structure

The City of Escondido uses the following fund types and account groups in its Comprehensive Annual Financial Report:

<u>Fund Type/Account Group</u>	<u>Number of Funds Presented in CAFR</u>	<u>Number With Legally Adopted Annual Budgets</u>
General fund	1	1
Special revenue funds	9	7
Debt service funds	2	2
Capital projects funds	6	0
Permanent	1	0
Enterprise funds	2	2
Internal service funds	7	7
Private Purpose Trust Fund	1	0
Agency funds	5	0
General fixed assets account group	1	N/A
General long-term debt account group	1	N/A

D. Budgetary Basis of Accounting

The City of Escondido prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Component Units

The management of the City of Escondido has identified the following as blended component units because the City Council serves as the governing board for these entities. They are included in the City's financial statements in a blended presentation:

Escondido Vehicle Parking District  
Escondido Joint Powers Financing Authority

These component units are to be audited as part of the audit of the City's financial statements.

The California Center for the Arts, Escondido Foundation, has been identified as a Discretely Presented Component Unit. Separate financial statements are audited and issued by the Foundation.

F. Federal Awards

During the previous fiscal year, the following programs were identified as Major Programs under the Single Audit Act:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Community Development Block Grants/Entitlement Grants	14.218
Home Investment Partnerships Program	14.239
State and Community Highway Safety/Alcohol Impaired Driving Countermeasures Incentive Grants (cluster)	20.600 20.601
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers / Special Programs for the Aging, Title III, Part C, Nutrition Services / Nutrition Services Incentive Program (cluster)	93.044 93.045 93.053

G. Joint Ventures

The City of Escondido is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA) which provides general liability insurance. SANDPIPA is a joint venture of twelve cities located within San Diego County.

SANDPIPA's pooled liability will go into run off on July 1, 2015, adding no new years of claims liabilities. SANDPIPA will continue to exist for the purpose of disposing of all claims, distribution of assets proportionate to each city's cash contributions, and all other functions necessary to wind down the affairs of the Joint Powers Authority (JPA). Effective July 1, 2015, SANDPIPA will purchase coverage from member self-insured retentions to \$50 million with the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

## IV. TIME REQUIREMENTS

### A. Proposal Calendar

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

Request for proposal issued	March 10
Deadline for written questions	March 28
Responses to Questions	March 31
Due date for proposals	April 14

### B. Notification and Contract Dates

Selected firm notified	May 12
City Council Approval of Contract	May 25

### C. Date Audit May Commence

The City of Escondido will have all records ready for audit and all management personnel available to meet with the firm's personnel as of September 15, 2016.

### D. Schedule for the 2016 Fiscal Year Audit

A similar time schedule will be developed for audits of future fiscal years if the City of Escondido exercises its option for additional audits.

Each of the following should be completed by the auditor no later than the dates indicated.

#### 1. Interim Work

The auditor shall complete interim work by July 31.

#### 2. Detailed Audit Plan and Programs

The auditor shall provide City of Escondido by July 31 both a detailed audit plan and a list of all schedules to be prepared by the City of Escondido.

#### 3. Fieldwork

The auditor shall complete all fieldwork by October 10.

E. Date Final Report is Due

The Finance staff shall prepare draft financial statements and all required supplementary schedules and statistical data by October 31, 2016.

The auditor shall provide the Notes to the Basic Financial Statements, revisions and suggestions for improvement to all required reports by November 15, 2016.

An auditor's report(s) shall be delivered to the Administrative Services Director before December 31, 2016.

## V. ASSISTANCE TO BE PROVIDED / REPORT PREPARATION

### A. Finance Department and Clerical Assistance

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

### B. Staff Assistance

The staff of City of Escondido will be available to assist the auditor in performing audit tests as follows:

- Inventory of warehouse

### C. Work Area, Telephones, Photocopying and FAX Machines

The City of Escondido will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines subject to reasonable restrictions.

### D. Report Preparation

Report preparation will be the responsibility of the City. The auditor will provide an electronic draft of the notes to all financial statements.

## VI. PROPOSAL REQUIREMENTS

### A. General Requirements

#### 1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Christina Holmes  
Revenue Manager  
[cholmes@escondido.org](mailto:cholmes@escondido.org)

Joan Ryan  
Assistant Finance Director  
[jryan@escondido.org](mailto:jryan@escondido.org)

CONTACT WITH PERSONNEL OF THE CITY OF ESCONDIDO OTHER THAN CHRISTINA HOLMES, REVENUE MANAGER, OR JOAN RYAN, ASSISTANT FINANCE DIRECTOR REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

#### 2. Submission of Proposals (The City will not accept any proposal that anticipates additional expenses)

Two separate letters (**Documents**) are required to be received by 5:00 p.m. on April 14, 2016 for a proposing firm to be considered:

##### **Letter A**

A master copy (so marked) of a Technical Proposal (see page 14 for instructions) and two copies to include the following:

##### a) Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

##### b) 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 30 days.

##### c) Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

##### d) Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix A and Appendix B)

**Letter B**

The proposer shall submit an original and two copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID PROPOSAL FOR  
CITY OF ESCONDIDO  
FOR PROFESSIONAL AUDITING SERVICES

Appendix C, City of Escondido Audit Service Fee Response Sheet. ***This form must be completed and returned as part of the bid.***

**The City is looking for a comprehensive bid for services and will not pay variable expenses.** Such costs should not be included in the proposal.

The City reserves the right to select only those services from the Fee Response Sheet deemed necessary to fulfill its requirements.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the bid.

Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

City of Escondido  
Finance Department  
Christina Holmes  
201 North Broadway  
Escondido, CA 92025

## B. **Letter A** Technical Proposal

### 1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Escondido 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.

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

The Technical Proposal should address all the points outlined in the request for proposal. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

### 2. Independence

The firm should provide an affirmative statement that it is independent of the City of Escondido as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards* (2007 revision).

The firm also should provide an affirmative statement that it is independent of all of the component units of the City of Escondido as defined by those same standards.

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

### 3. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.

#### 4. Firm Qualifications and Experience

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 and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) 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 three (3) years with state regulatory bodies or professional organizations.

#### 5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. 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.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Escondido. However, in either case, the City of Escondido retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City of Escondido, which retains 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.

6. Similar Engagements with Other Municipalities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. 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.

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

8. Identification of Anticipated Potential Audit Problems

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

## C. Evaluation Criteria

Proposals will be evaluated using three 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 Escondido.
- c. The firm adheres to the instructions in this request for proposal 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 Quality

#### 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) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

### 3. Price

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

D. Oral Presentations

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

E. Final Selection

The Escondido City Council will select a firm based upon the recommendation of the Director of Administrative Services.

It is anticipated that a firm will be recommended to the City Council on May 25, 2016. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 3, 2016.

F. Right to Reject 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 Escondido and the firm selected. The City of Escondido reserves the right without prejudice to reject any or all proposals.

## VII. GENERAL PROVISIONS

### A. Contract Period

The agreement shall be for a five-year period and shall become effective immediately upon execution by all parties with implementation of all specified services to take place for the audit of fiscal year ending June 30, 2016. The contract entered into between the City and the firm shall extend for a term through and including the audit for the fiscal year ending June 30, 2020.

### B. Compensation

Compensation for services shall be a fixed price for each year of the 5-year term of the agreement. The fixed fee shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. Upon request the firm will provide the City with a statement of chargeable hours to substantiate billings.

### C. Business License

The successful bidder shall be required to obtain a City business license prior to the award of this contract.

### D. Proposal Preparation Cost

There is no expressed or implied obligation for the City of Escondido to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

### E. Indemnification

The successful bidder shall indemnify and hold harmless the City and its officers, employees and agents from and against all suits, actions, losses, damages, claims, or liability of any character type, or description including, but not limited to all expenses of litigation, court costs and penalties.

### F. Bid Protest

Any bid protest for City purchases of supplies, equipment or services must be made in writing to the Purchasing Supervisor (5) five business days prior to the day of such matter comes before City Council for bid award. The Purchasing Supervisor will notify the City Council of the facts and circumstances regarding the bid protest. The City Council will hear and determine the bid protest prior to the bid award; and may continue the matter to obtain additional information as the City Council deems necessary, or may determine the final decision of the bid award.

G. References

All bidders must provide a list of at least (3) references for which bidders provided similar services and equipment. Bidder shall list the company name, address, phone number, fax number, contact person, and any additional applicable information about the company.

## APPENDICES

	<u>PAGE</u>
A. Proposer Guarantees	22
B. Proposer Warranties	23
C. Format for Schedule of Professional Fees to Support the Total All-inclusive Maximum Price	24

**APPENDIX A**

**PROPOSER GUARANTEES**

- I. The audit proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.
  
- II. In addition the proposer certifies that the following contractual items will be provided.
  - a) General liability insurance of \$1 million combined single limit coverage per occurrence for bodily injury and property damage
  
  - b) Automobile liability insurance of \$1 million combined single-limit per accident for bodily injury and property damage
  
  - c) Worker's compensation and employer's liability insurance as required by the California Labor Code
  
  - d) Errors and omissions professional liability insurance with minimum coverage of \$1 million

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

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

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

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

**APPENDIX B**

**PROPOSER WARRANTIES**

- A. Proposer warrants that it is willing and able to comply with State of California laws.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Escondido.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

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

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

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

**APPENDIX C**

**SCHEDULE OF PROFESSIONAL FEES**

	15/16	16/17	17/18	18/19	19/20
Audit, Preparation of CAFR Notes to Financial Statements, and Opinion (including Management Letter)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Audit of the Escondido Successor Agency in accordance with applicable Health and Safety Code standards	_____	_____	_____	_____	_____
Examination of the Escondido Housing Authority in accordance with Health and Safety Code standards	_____	_____	_____	_____	_____
Single Audit	_____	_____	_____	_____	_____
Review of Appropriations Limit	_____	_____	_____	_____	_____
Total Audit Cost Proposal	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Supplemental Information (Billable hourly rate for projects outside the scope of the audit):					
Partner	_____	_____			
Manager	_____	_____			
Supervisory Staff	_____	_____			
Staff	_____	_____			
Other	_____	_____			