

REPORT TO CITY COUNCIL

DATE: JANUARY 27, 2010

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: REQUEST FOR PROPOSALS FOR AUDITORS

The contract with our current auditing firm will elapse this year and staff recommends seeking proposals (RFP) for auditing services for the City of Agoura Hills, the Agoura Hills Redevelopment Agency and the Agoura Hills Calabasas Community Center.

An RFP has been prepared by staff and reviewed by the City Attorney and Finance Committee. In addition, staff has compiled a list of potential auditing firms to receive the proposals.

The recommendation is for the following schedule:

City Council approval of RFP	January 27, 2010
Notice of RFP	February 1, 2010
Due date for proposals	February 25, 2010
Interviews by Finance Committee	March 10, 2010
Selected firm notified	March 17, 2010
City Council approval	March 24, 2010

It is imperative that we have a firm selected by the end of March in order to have our audit report produced by mid-December.

RECOMMENDATION

Review the request for proposals (attached) and authorize staff to send out the requests for proposals on February 1, 2010.

**City of Agoura Hills
Request for Proposals
Professional Audit Services**

I INTRODUCTION

A. General Information

The City of Agoura Hills (City) is requesting proposals from qualified certified public accounting firms to audit its financial statements and those of the Agoura Hills Redevelopment Agency (RDA) and Agoura Hills-Calabasas Community Center (Community Center) for the three fiscal years beginning with the fiscal year ending June 30, 2010, with the option of extending the agreement for two (2) additional one-year periods. These audits are to be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act as amended, and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

Inquiries

Questions related to this RFP must be directed in writing by email to cpinuelas@ci.agoura-hills.ca.us. Answers to questions will be directed to all interested parties.

Copies of the City's Request for Proposals and the proposed contract as attached in Attachment A, are to be used by all consultants. The City reserves the right to reject any or all proposals. The City will not be liable for, nor pay any cost incurred by responding firms relating to the preparation of proposals or the making of presentations.

An explicit provision of the RFP is that any oral communication is not binding on the City's proposal process or a word of the contract.

Submittal Date

To be considered for selection, an original and five (5) copies of the proposal must be submitted to the City Clerk's Office, 30001 Ladyface Court, Agoura Hills, California 91301, at or before 4:00 p.m., PST on February 25, 2010.

Mailing Instructions

Please submit an original and five (5) copies of the proposal to:

Kimberly Rodrigues, City Clerk
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301
(818) 597-7300

Proposal should be marked "City of Agoura Hills Audit Services RFP." Facsimile proposals will not be accepted. Proposals are due by four o'clock in the afternoon, PST (4:00 p.m., PST) on Thursday, February 25, 2010. Proposals received after four o'clock in the afternoon, PST (4:00 p.m., PST) on Thursday, February 25, 2010, will be disqualified and shall be returned, unopened, to the Proposer. Additionally, please email an electronic copy of your proposal to cpinuelas@ci.agoura-hills.ca.us

Incurring Costs

The City of Agoura Hills is not liable for any costs incurred by a proposer in the preparation and/or presentation of the proposal.

Equal Opportunity

The City of Agoura Hills requires all proposers to comply with equal opportunity policies. Agoura Hills' programs, services, employment opportunities, and volunteer positions and contracts are open to all persons without regard to race, religion, color, national origin, sex, age, marital status, handicap, or political affiliation.

II DESCRIPTION OF THE CITY OF AGOURA HILLS, AGOURA HILLS REDEVELOPMENT AGENCY AND AGOURA HILLS CALABASAS COMMUNITY CENTER JPA

The City of Agoura Hills was incorporated in 1982 and is a residential community with a population of approximately 23,300. Agoura Hills is a General Law City with five City Council members elected at large and operates under a council-manager form of government. The City Council selects the Mayor and appoints the City Manager, City Attorney, and members of the City's boards, commissions and committees. The City Attorney reports to the City Council. The City Council typically meets on the second and fourth Wednesdays of the month at 7:00 p.m.

Agoura Hills encompasses approximately eight square miles of land on the western edge of Los Angeles County in the foothills of the Santa Monica Mountains. Services provided by the City include administration, community services (parks and recreation), civil engineering, planning and community development, and building inspection. Fire and law enforcement are provided by contracted consultants. Utility services are provided by outside agencies. The City has 32 full-time employees and up to 75 part-time/seasonal employees.

The City of Agoura Hill's Adopted Fiscal Year 2009-2010 Operating and Capital Budget is \$25.6 million with estimated revenues of \$19.3 million for all funds. The City uses the following fund structure:

General Fund	1
Special Revenue Funds	13
Debt Service Funds	1
Capital Project Fund	3

In Fiscal Year 2009-10, the City is planning to begin construction on the widening of the Reyes Adobe Bridge. This \$10.9 million project anticipates the use of \$2.1 million in state and \$3.3 million in federal grant funds.

The Agoura Hills Redevelopment Agency was formed in 1988 and covers 1,028 acres, most of which lies in the southern portion of the City along commercial arterials and the US 101 Freeway. The Agency consists of one project area, which has never been amended. The Agency issued debt in June, 2008. The Agoura Hills Redevelopment Agency's Adopted Fiscal Year 2009-2010 Operating and Capital Budget is \$6.3 million, with estimated revenues of \$5.5 million for all funds. The RDA uses the following fund structure:

Special Revenue Fund	1
Debt Service Fund	1
Capital Projects Fund	1

More information can be found on the City of Agoura Hill's website: www.ci.agoura-hills.ca.us.

The Agoura Hills Calabasas Community Center was formed in November 1997 under a joint exercise of powers agreement. It was formed for the construction, furnishing, maintenance and operation of a Joint Community Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President.

Each City contributed money toward the construction of the Community Center, which was completed in March 2000. The Authority now oversees the operations and maintenance of the Community Center. The cities of Agoura Hills and Calabasas share equally in any profit or loss from operations of the Community Center.

The Agoura Hills Calabasas Community Center's Adopted Fiscal Year 2009-2010 Operating and Capital Budget is \$1.6 million with estimated revenues of \$1.2 million and operating expenses of \$1.2 million. By the terms of the Community Center's joint powers agreement, the City serves as fiscal agent for the Community Center and is retaining an auditor on behalf of that entity. The Agoura Hills Calabasas Community Center uses only one fund and reports as an enterprise activity.

III NATURE OF SERVICES REQUIRED

A. Scope of the Work to be Performed

The goal is to provide the public and its constituents with a comprehensive financial statement that gives complete, accurate, and understandable information about the three agency's financial condition. All of the Comprehensive Annual Financial Reports (CAFR) are to be fully compliant with all current GASB pronouncements for the fiscal year ending June 30, 2010 and each of the subsequent years that the audit firm contracts with the City.

The selected independent auditor will be required to perform the following tasks:

1. Examine the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the three agencies, and the agencies financial records for each of the three fiscal years ending June 30, 2010 through June 30, 2012. The purpose of the examination is to obtain the auditor's opinion on the fairness of the basic financial statements presented, and whether they comply with generally accepted accounting principles applied on a basis consistent with that of the preceding year. The examination shall be conducted in accordance with generally accepted auditing standards as set forth in *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act as amended, and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of State and Local Governments and Non-Profit Organizations*, and shall include such tests as sampling and other audit techniques as determined by the auditor.
2. Following the completion of the audit of the City/ RDA's and Community Center's basic financial statements and related records, the auditor shall prepare:
 - a. A standard short form audit report for each of the three agencies. The audit reports for the agencies shall include a signed opinion, basic financial statements, including government-wide financial statements and fund financial statements, for all funds, accompanying notes to the basic financial statements and required supplementary and supplementary statements. If applicable, a report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. (Single Audit)
 - b. If applicable, a report on compliance with requirements applicable to each major program and internal controls over compliance in accordance with OMB Circular A-133. (Single Audit)
 - c. If applicable, a schedule of findings and questioned costs. (Single Audit)
 - d. If applicable, an "in-relation-to" report on the schedule of expenditures of federal awards. (Single Audit)
 - e. State Controller's reports for both the City and RDA.
3. Apply to the *management discussion and analysis* those procedures required by the auditing standards to be applied to required supplementary information. The auditor will apply an understanding of the method of preparation, the source and basis for the information presented, comparing for consistency to the audited data, and ascertaining that the *management's discussion and analysis* contains all of the information required by GASB 34 and does not contain information prohibited to be presented in the *management's discussion and analysis*.

4. Prepare and submit a management letter at the conclusion of the annual audit. The management letter shall report all significant opportunities for realistically improving internal controls of the City's operations and procedures that are discovered or observed by the auditor in the course of the annual audit and management response to the recommendations.
5. Provide general consultation on financial reporting matters.
6. The auditor shall communicate in a letter to the City Manager any reportable conditions, as defined by professional auditing standards, found during the audit. Any irregularities or illegal acts that come to the auditor's attention will be reported immediately to the City Manager.
7. Present and discuss results to the Finance Committee of the City and the Community Center. Auditors shall inform the Finance Committees of each of the following:
 - a. The auditor's responsibility under generally accepted auditing standards.
 - b. Significant accounting policies
 - c. Management judgments and accounting estimates.
 - d. Significant audit adjustments
 - e. Other information in documents containing audited financial statements.
 - f. Disagreements with management
 - g. Major items discussed with management prior to retention
 - h. Difficulties encountered in performing the audit.
8. Attend, participate, and staff up to two Finance Committee meetings per year for the City of Agoura Hills and up to two Finance Committee meetings for the Agoura Hills Calabasas Community Center.
9. It is the responsibility of the auditor to request and acquire access to any needed information pertinent to audits of previous year's financial statements. The most likely source for obtaining such information is City or Community Center staff and the City's or Community Centers' independent financial auditor for the year(s) in question.
10. From time to time, the City or Community Center may require special services or assistance which could be subject to a new contract or amendments to this contract entered into in accordance with all applicable City regulations. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the Cost Proposal required per Section V.

11. All working papers and reports must be retained, at the auditors' expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
12. The Community Center Board shall be considered a client of the auditor and shall be entitled to receive and rely on the final report of the auditor regarding the Community Center fund.

IV SPECIAL CONSIDERATIONS

A. Key Dates for Proposal Evaluation and Selection

Notice of RFP	February 1, 2010
Due date for proposals (4:00 p.m.)	February 25, 2010
Interviews	March 10, 2010
Selected firm notified	March 17, 2010
City Council approval	March 24, 2010

B. Project Schedule

The City's normal year-end closing schedule is as follows:

1. June 30th preliminary close
2. August 20th close of accounts payable accrual period
3. September 4th generate final trial balance
4. September 18th receive final State Controller's report for City
5. October 15th receive electronic drafts of financial reports and management letter
6. November 12th receive financial reports and management letter
7. December 4th present all reports and opinion to the City's Finance Committee and to City Council

Note: This project schedule is for illustrative purposes only. A final time schedule will be worked out between City staff and the selected audit firm.

C. Assistance Provided to the Auditor

City staff will provide the following assistance to the auditor:

1. City staff and responsible management personnel will be available during the audit to assist the auditor by providing information, documentation, and explanations.
2. City staff will prepare all confirmations and auditors shall mail.

3. City staff will prepare audit schedules.
4. City staff will prepare the *management discussion and analysis* to be incorporated into the financial statements.
5. The auditors shall provide a list of all schedules to be provided by the City (including confirmations) to the Audit Manager by June 1st of each year.
6. Report preparation of the basic financial statements, including government-wide financial statements and fund financial statements, for all funds, and accompanying notes to the financial statements and supplemental statements shall be the responsibility of the auditor. Preparation of the statistics sections and other supplemental sections for the CAFR, editing, and printing shall be the responsibility of the City.

D. CAFR

The City is submitting its first CAFR for consideration of recognition for Outstanding Financial Reporting from the California Society of Municipal Finance Officers (CSMFO). The City plans to continue applying for the CSMFO award for Fiscal Year 2010-2011 and would like to submit the CAFR for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

V SUBMITTAL REQUIREMENTS

A. Format for Technical Proposal

1. *Title Page*
Show the RFP number and 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.
3. *Transmittal Letter*
Provide a general introduction and briefly state that the Proposer understands the audit services to be provided; 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 the following section.

B. 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. 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 Agoura Hills as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.

3. *Business Registration*

The independent auditor selected must register with the City of Agoura Hills while conducting any work under this contract.

4. *Insurance*

Attached to the RFP is a draft copy of the City's Consulting Services Agreement (Agreement) (Attachment A) which contains the insurance requirements. The selected firm will maintain the minimum insurance requirements during the entire time of the 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 Agreement. The City shall be named additional 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 Comprehensive Annual Financial Reports in GASB 34 format. 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 employed on a part time basis. Consistency in staffing is an important consideration.
- 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*).

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 a Comprehensive Annual Financial Report prepared in conformance with the GASB 34 requirements.

Please provide a list of not less than three client references for which 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 III of this RFP. 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 test 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.

NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. 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 our-of-pocket expenses.

A separate cost proposal must be completed for the City's Single Audit, if required.

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

The cost proposal should be submitted on the attached "Cost Proposal Submittal Form" (Attachment B). The cost shall be enclosed in a sealed envelope which will be opened only after all the proposals have been ranked in order of merit.

2. *Manner of Payment*

Progress payments will be made on the basis of pro-rated audit work completed during the course of the engagement.

VI. EVALUATION CRITERIA

At a minimum, proposals and contractor selection will be evaluated based on the following minimum criteria:

A. Scope of Work

- Understanding of project and purpose
- Responsiveness to RFP, including approach and methodology proposed
- Appropriate level of detail in proposal
- Relevance of add/delete to scope of work
- Familiarity with problems associated with project
- Proposed fee relative to the services to be provided

B. Technical Competence

- Technical/specialized qualifications of team
- Experience of key personnel with similar projects
- Depth of technical expertise in firm
- Provisions for technical and quality review
- Familiarity with the City's structure and business

- C. Past Performance
 - Technical quality of prior projects
 - Demonstrated ability to meet schedules
 - Cost control
 - Performance on City or other agency projects

- D. Organization and Schedule
 - The audit firm is independent and licensed to practice in California
 - The firm has no conflict of interest with regard to any other work performed by the firm for the City of Del Mar
 - Commitment of key personnel
 - Financial capability and resources of firm
 - Flexibility to changes in scopes and schedules
 - Inclusion of affirmative action statement

- E. Cost

VIII. OTHER CONSIDERATIONS

Clarifications

The City of Agoura Hills reserves the right to seek clarification of each proposal submitted. The City also reserves the right to require other evidence of technical, managerial, financial, or other abilities prior to selection.

Interviews

The City of Agoura Hills may invite one or more proposers to be interviewed February 10, 2010 (time to be determined) at no cost to the City.

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 Agoura Hills and the firm selected.

The City of Agoura Hills reserves the right without prejudice to reject any or all proposals.

EXHIBIT "A"
SCOPE OF SERVICES

**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF AGOURA HILLS
AND _____**

THIS AGREEMENT is made and effective as of _____, between the City of Agoura Hills, a municipal corporation ("City"), and _____ ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM. This Agreement shall commence on _____, and shall remain and continue in effect until tasks described herein are completed, but in no event later than _____, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, at its' option, extend this Agreement for two additional terms of one year upon providing written notice of its intent to so-extend this Agreement to the Contractor not less than thirty (30) days prior to the expiration of the initial Term. If this Agreement is extended beyond the original Term, contract price shall be adjusted at the beginning of each term.

2. SERVICES. Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE. Consultant shall at all times faithfully, competently and to the best of his or her ability, experiences, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. PAYMENT. The City agrees to pay Consultant, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the payment rates and schedule of payment are null and void. This amount shall not exceed _____ ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Contract Price. Any additional work in excess of this amount shall be approved by the City Council.

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to

by the City Council and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE.

The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 4.

6. DEFAULT OF CONSULTANT. The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

If the City Manager or his or her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

7. OWNERSHIP OF DOCUMENTS. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records, shall give

City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of seven (7) years after receipt of final payment.

Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. INDEMNIFICATION. The Consultant agrees to defend, indemnify, protect and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the City, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the City.

9. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

B. Minimum Limits of Insurance. *Consultant shall maintain limits no less than:*

- 1) General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 2) Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
- 3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.
- 4) Professional Liability coverage: Two million (\$2,000,000) per claim and in aggregate.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager and. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The City, its officers, officials, employees and volunteers are to be covered as additional insureds in respect to: 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. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City and Community Center. Self insurance shall not be considered to comply with these insurance requirements.

F. Verification of Coverage. Consultant shall furnish the City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the City. All endorsements are to be received and approved by the City before work commences. As an alternative to the City's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

10. INDEPENDENT CONTRACTOR. Consultant is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

11. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

12. RELEASE OF INFORMATION

A. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or subcontractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or

16. GOVERNING LAW. The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. PROHIBITED INTEREST. No officer, or employee of the City of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City of Agoura Hills has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

18. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

19. AUTHORITY TO EXECUTE THIS AGREEMENT. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

ATTACHMENT B

COST PROPOSAL SUBMITTAL FORMAT

Format for Schedule of Professional Fees and Expenses to Support the Total All- Inclusive Maximum Price

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES						
Supporting Schedule for the City of Agoura Hill's Audit Report						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Meals and lodging						
Transportation						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES						
Supporting Schedule for the City of Agoura Hill's Single Audit Report, if required						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						

Supporting Schedule for the City of Agoura Hill's State Controller's Report						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES						
Supporting Schedule for the Agoura Hill's Redevelopment Agency Audit Report						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Meals and lodging						
Transportation						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES						
Supporting Schedule for the Agoura Hills RDA State Controller's Report						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES						
Supporting Schedule for the Agoura Hill's Calabasas Community Center Audit Report						
For the Period Ending June 30,						
	Hours	Hourly Rate	2010	2011	2012	Total
Fees:						
Partner						
Manager						
Supervisory staff						
Staff						
Clerical						
Other (specify)						
Subtotal fees						
Expenses:						
Meals and lodging						
Transportation						
Other (specify)						
Subtotal expenses						
Total all inclusive maximum price						