



**REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES**

RFP No. 2024-002

City of Gardena
1700 West 162nd Street
Gardena, CA 90247

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EXHIBITS

- A.** FORMAT FOR SCHEDULE OF PROFESSIONAL FEES AND EXPENSES TO SUPPORT THE TOTAL ALL-INCLUSIVE MAXIMUM PRICE
- B.** FORMAT FOR SCHEDULE OF ALL-INCLUSIVE MAXIMUM PRICE REPORT
- C.** REQUIRED FORMS
- D.** SAMPLE CITY OF GARDENA PROFESSIONAL SERVICES CONTRACT

**INVITATION FOR REQUEST FOR PROPOSALS
NO. 2024-002
PROFESSIONAL AUDITING SERVICES**

PUBLIC NOTICE IS HEREBY GIVEN that City of Gardena invites and shall receive proposals up to the hour of **5:00 PM (PST) on March 14, 2024** from qualified firms for professional auditing services.

In order to qualify for evaluation, prospective proposers shall have a minimum of five (5) engagements in the last five (5) years that are similar in organizational type, size, and complexity to the engagement described in the request for proposal. Proposers shall include client lists and website addresses of previous work for evaluators to review. In addition, proposer shall include plans of action to meet all requirements described in the Scope of Work.

Copies of the proposals and any addendums may be obtained by visiting City of Gardena's online procurement platform, "PlanetBids", which can be accessed via City of Gardena webpage at:

<https://cityofgardena.org/purchasing-rfp/>

Proposals shall only be accepted via PlanetBids and are due by no later than **March 14, 2024 at 5:00 PM (PST)**.

PROCUREMENT SCHEDULE

Responses to the RFP must be submitted to the City of Gardena as outlined in this section. City of Gardena reserves the right to modify this schedule as needed.

Responses are due no later than
THURSDAY, MARCH 14, 2024 AT 5:00 PM (PST)
Responses received after this date and time will not be considered.

PROPOSED SCHEDULE FOR THE REVIEW AND SELECTION PROCESS AND AWARD OF CONTRACT

MILESTONE	DATE	TIME (PST)
Release RFP	February 12, 2024	12:00PM
Question submittal deadline	February 28, 2024	12:00PM
Questions posted on City website (cityofgardena.org/purchasing-rfp/)	March 5, 2024	5:00PM
Proposal due date	March 14, 2024	5:00PM
Interviews with Qualified Firms	Week of April 8, 2024	TBD
Award of Agreement	April 23, 2024	7:00 PM

I. INTRODUCTION

The City of Gardena, California is located just miles from the beautiful California coast, near the interchange of the Harbor, San Diego, and Gardena freeways, and just 13 miles south of the City of Los Angeles, in the South Bay Area. Gardena is a part of the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area.

Gardena has the singular distinction of having within its borders both the first legal card club licensed in the State of California, granted in 1936, and the newest club in the state, which opened in 2000. At one time, only five-card draw and lowball poker could be played. During the 1960s, Gardena was the only City in Los Angeles County to have legal gambling. In the mid-1980s, a tremendous Asian influence arrived with the introduction of a number of California games. A complete listing is contained in the City of Gardena Resolution No. 6581.

The City of Gardena, incorporated on September 11, 1930 as a general law City, operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of four members of the City Council and a Mayor elected on a non-partisan basis at-large for four-year terms, with an election every two years. The Council is responsible for, among other things, establishing policy, passing ordinances, adopting an annual budget, appointing members to various City Commissions and Boards and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The official population of the City of Gardena as of 2023 is 59,809 (CA Department of Finance). Gardena is a full-service city and encompasses an area of six square miles. The City's General Fund Budget is approximately \$82 million.

The City's financial statements are prepared in compliance with GASB and in conformance with requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting. The City uses Tyler's Eden financial software for general ledger, cash receipts, accounts receivable, accounts payable, payroll, purchasing, and budgeting.

II. GENERAL INFORMATION

The City of Gardena (hereinafter referred to as "the City") is seeking a qualified firm(s) of certified public accountants (hereinafter referred to as "the Proposer") for a three (3) year contract to prepare and audit financial statements for the

fiscal years ending June 30, 2024, 2025, and 2026. An option to extend the contract for fiscal years ending June 30, 2027 and 2028 may be exercised by the City through a written amendment.

The Proposer will be asked to prepare the agreed-upon auditing procedures each fiscal year pertaining to the GANN Limit (Appropriation Limit), prepare and audit the City's financial statements, prepare GTrans (transportation) Enterprise Fund Financial Report, and complete a Single Audit Report if expenditure criteria are met.

The 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*, the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments* and Governmental Accounting Standards Board (GASB) Pronouncements.

A. Minimum Qualifications

The successful Proposer shall have a minimum of five projects of verifiable experience performing similar work over a period of the last five years.

B. Proposer's Acknowledgement

By submitting a proposal, each Proposer represents that it has fully investigated and become completely familiar with the RFP requirements, operating conditions throughout City's service area and applicable local, state and federal laws and regulations. The City will not consider claims for additional compensation based upon the Proposer's lack of knowledge of such documents, statutes, regulations, resolutions or conditions.

C. Amendments

Any changes to the requirements will be made by written amendment to this Request for Proposal, which shall be incorporated into the terms and conditions of any resulting contract or agreement. The Proposers shall rely only on written amendments by the City of Gardena in submitting or revising proposals. In no event should a prospective Proposer submit a proposal based upon an oral interpretation of the RFP by any city staff or by any other firm or individual not associated with the City of Gardena.

D. Question and Answer Period

Should a Proposer have inquiries, require clarifications, or request deviations to this RFP, the Proposer shall notify City of Gardena in writing via PlanetBids only. Should City, in its sole discretion, determine that the point in question is not clearly and fully set forth, City will issue a written addendum clarifying the matter via PlanetBids.

All inquiries, clarifications, or requests for deviations shall be submitted by **February 28, 2024 at 12:00 PM (PST)** via PlanetBids.

Responses and addendums shall be published via PlanetBids on **March 5, 2024 at 5:00 PM (PST)**

E. Modification of Proposals

Any modification of the proposal by the Proposer which is inconsistent with or in addition to all of the terms and conditions herein set forth shall be void and of no effect unless and to the extent expressly accepted by the City of Gardena in writing. Proposals shall be submitted upon the response forms and in the manner prescribed in this document. City of Gardena reserves the right to refuse to consider any proposal not tendered on proposal forms furnished by the City, to waive minor discrepancies, or to reject proposals because of minor discrepancies as it sees fit.

F. Legal Compliance

The Proposer agrees to abide by all laws, rules and regulations promulgated by the United States of America, the State of California, or any agencies or subdivisions thereof; specifically including Cal/OSHA and OSHA and California Department of Industrial Relations minimum wage and salary requirement regulations currently in effect at time proposals are due.

G. Affirmative Action

City of Gardena is an equal opportunity employer, and all Contractors working on City of Gardena projects are required to follow a policy of affirmative action in regard to the requirements of Executive Order 11246.

H. Key Personnel and Facilities

Proposers must identify key personnel to serve as contacts and facilities necessary to accomplish the work within the required time.

I. Terms and Conditions

The Proposal shall include all terms, conditions and requirements of this Request for Proposal and any amendments thereto. Any agreements resulting from this Request for Proposal, including subcontract or supplier agreements, shall be subject to and incorporate such terms, conditions and requirements.

J. Disadvantaged Business Enterprise (DBE) Participation

City of Gardena hereby notifies all Proposers that it will affirmatively ensure that, in regard to any agreement entered into pursuant to this advertisement, disadvantaged businesses will be afforded full opportunity to submit offers in response to this solicitation.

K. Confidentiality of Proposals

Confidentiality of proposals is considered by the City of Gardena an essential element of maintaining fairness during the evaluation process. However, confidentiality cannot be guaranteed under the California Public Records Act.

If a member of the public demands in writing to review portions of proposals which have been marked or identified as confidential, proprietary or business secrets, City of Gardena will notify the affected Proposer prior to releasing such portions of the proposal. The Proposer shall take such legal actions as it deems necessary to protect its interests. If the Proposer has not commenced such actions within five (5) calendar days after receipt of the notice from the City of a demand to review such portions of its proposal and provided city written notice of the actions, the City may make such portions available for review by the public as City deemed necessary to comply with State law.

The Proposer asserting that portions of its proposal are legally protectable shall bear all costs of defending such assertion, including indemnifying and reimbursing the City of Gardena for its administrative, expert and legal costs and judgments involved in defending itself in actions arising from such assertions by the Proposer. By submitting a proposal with portions marked confidential, proprietary, business secrets or the like, the Proposer has thereby agreed to the provisions of this section, including the defense and reimbursement obligations.

L. Pre-Contractual Expenses

All costs incurred by the Proposer in the preparation of its response to this RFP, or its submission, or negotiating with the City of Gardena, or any other expense incurred by the Proposer prior to the date of the award, if any, are the responsibility of the Proposer and will not be reimbursed by the City of Gardena.

M. Suspension and Debarment

Proposer shall certify by signature, that none of firm, or its principals, as defined in 49 CFR 29.995 or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

Proposer shall also submit proof of non-debarment or suspension, by providing a printout or screenshot from the U.S. Government's official website www.sam.gov showing they are not debarred or suspended with their proposal package. If proposer is not currently registered as a vendor on www.sam.gov, then the proposer shall submit proof of application for registration with their proposal.

III. SCOPE OF WORK

A. Services to be performed by Auditors

1. In general, the auditors will perform a financial and compliance audit to determine (a) whether the combined financial statements of the City fairly presents the financial position and the results of financial operations in accordance with generally accepted accounting principles and (b) whether the City has complied with laws and regulations that may have material effect upon the financial statements.
2. The auditors will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Director of Administrative Services. The examination shall be made, and reports rendered in accordance with generally accepted government auditing standards. In addition, the auditors shall communicate to the Director of Administrative Services any reportable conditions found during the audit that can be defined as either a significant or material weakness 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 statement.
3. 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 Director of Administrative Services and City Manager.
4. Auditors shall include all funds of the City and any component unit(s).
5. Under the requirements of the Federal Government's program covering a single audit in accordance with the Single Audit Act, OMB Circular A-133 and related government auditing standards.
6. Auditors shall submit a management letter setting forth their findings and/or recommendations on those matters noted and observed during the conduct of the examination of the financial records and developed within the scope usually associated with such an examination relating to, but not limited to (a) improvement in systems of internal control, (b) improvement in accounting system, (c) apparent noncompliance with laws, rules, regulations, and (d) any other material matter coming to the attention of the firm during the conduct of the examination.

7. Auditors shall prepare for the City the Annual GTrans Enterprise Fund Financial Report before the required deadline each fiscal year.
8. Auditors shall perform audit procedures each fiscal year for the City's GANN Limit.

B. Timeline Requirement

1. Auditors shall schedule field work and agreed upon deadlines with the Director of Administrative Services for the Fiscal Year 2023/24 audit, and each audit year thereafter.
2. The City's books shall be closed and ready for audit by the mutually agreed start date for final field work.
3. Field work shall be completed no later than **October 31** and draft financial statements, presented according to the timetable listed under Part III, Section E. "Specific Deliverables to the City of Gardena" shall be prepared and delivered to the Director of Administrative Services.
4. The entrance conference, progress reporting, and exit conference should be held within the timeframes indicated on the schedule shown below:

a.	Entrance conference with Director of Administrative Services and key Finance Department staff to discuss work to be performed, establish overall liaison for audit, arrangements for workspace, and other needs of the auditor.	Prior to start of audit field work.
b.	Progress conference with Director of Administrative Services and key Finance Department staff to discuss the year-end work to be performed.	Midway through audit field work.
c.	Exit conference with Director of Administrative Services, key Finance Department staff, and City Manager to summarize the results of the field work and review significant findings.	At the conclusion of the year-end audit filed work.

C. Reporting and Communication

1. The auditors will meet continuously during the on-site field work process with the Director of Administrative Services to discuss issues, concerns, preliminary audit findings, and management recommendations.

2. Prior to issuing their final reports, the auditors will meet with the Director of Administrative Services with all draft reports to be addressed to the City Council.
3. The auditors may be consulted occasionally throughout the year as an information resource. Auditors may be asked to provide guidance on implementation of Government Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting. In addition, the auditors may be asked to assist with the implementation of new pronouncements.

D. Other Considerations

1. All working papers, reports, and records relating to the work performed under the Professional Services Agreement must be retained, at the auditor's expense, for a minimum of five (5) years, unless the Firm is notified in writing by the City of Gardena of the need to extend the retention period.
2. The auditors will be required to make working papers available upon request to the appropriate parties. In addition, the Firm shall respond to the reasonable inquiries of successor auditors and allow review of working papers relating to matters of continuing accounting significance.
3. Throughout the year, the auditor will provide financial advice and counsel on matters occurring that may affect the audit process or impact the financial statements.
4. The audit partner/manager will be required to attend a City Council meeting to present the audited financial statements and answer any questions the Council may have regarding the audit report or accounting requirements.

E. Specific Deliverables to the City of Gardena

Reports	Due Date	Quantity
Draft of City's Financial Statements	No later than November 20	1 Electronic
City's GANN Limit	No later than December 1	1 Electronic
GTrans Enterprise Fund Financial Report	No later than December 1	1 Electronic 10 Hard Copies

Final City's Financial Statements and Auditor's Reports	No later than December 1	1 Electronic 20 Hard Copies
Single Audit Report	No later than March 15	1 Electronic 10 Hard Copies
Management Report	No later than December 7	1 Electronic

IV. CITY RESPONSIBILITIES

A. Finance Staff

1. Finance staff will be responsible for closing the books and will provide trial balances, budget and actual revenue and expense reports, project expense reports, and detail transaction reports as needed from the financial system for each fiscal year.
2. Finance staff will produce the confirmation letters based on a comprehensive list prepared by the auditor. The letters will be mailed by the auditors.
3. Finance staff will produce the transmittal letter, MD&A, and statistical section of the ACFR.
4. Finance staff will be available to assist the auditors in locating records or preparing audit schedules. All requests from the auditors will be directed to the Director of Administrative Services or key Finance staff.
5. Finance staff will provide the auditors with reasonable workspace to include desks and chairs as well as access to internet and photocopying and fax machines.

B. Report Preparation

1. The auditors will prepare the draft and final versions of the financial statements, including notes and supplemental scheduled, for the City.
2. Final preparation and printing of the City's Annual Comprehensive Financial Report will be completed by the auditors.
3. Preparation, editing, and printing of all other reports as indicated in Part III, Section E. "Specific Deliverables to the City of Gardena", will be the responsibility of the auditors.

V. PROPOSAL SUBMISSION REQUIREMENTS AND FORMAT

Proposals shall be typed and submitted on 8 1/2" x 11" size paper. All pages shall be numbered. Unless expressly stated otherwise, documents must be uploaded in PDF format via PlanetBids. Lengthy narrative is discouraged, and presentations should be brief and concise. Proposals should not include any unnecessarily elaborate or promotional material. Lengthy narrative is discouraged, and presentations should be brief and concise.

To be considered for selection, proposals must be submitted to PlanetBids by **March 14, 2024 5:00 PM (PST)**.

Proposal Requirements

INDEPENDENCE

The Proposer should provide an affirmative statement that it is independent of the City of Gardena as defined by generally accepted auditing standards. Moreover, the Firm must have no conflict of interest regarding any other work performed for the entity being audited. It is understood that the services performed by the auditors are in the capacity of independent contractors and not as an officer, agent, or employee of the City of Gardena.

LICENSE TO PRACTICE IN CALIFORNIA

The Proposer should provide an affirmative statement indicating that the Firm and all assigned key professional staff are properly licensed to practice in California.

FIRM QUALIFICATIONS AND EXPERIENCE

1. 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 staff to be employed on a part-time basis. Please indicate whether members of the audit team assigned to the City are reviewers in the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.
2. The Proposer shall 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.
3. The Proposer shall 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 Proposer

during the past three (3) years with state regulatory bodies or professional organizations.

4. For the Proposer office assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar in organizational type, size, and complexity to the engagement described in the request for proposal. These engagements should show experience with local governments preparing a ACFR and be ranked based on total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact and, if available, a link to the final published audit report.

PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

1. The Proposer shall identify the principal supervisory and management staff, including engagement partners, managers, 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. The Proposer should also provide information on the governmental auditing experience, including the scope of audit services requested by the City, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.
2. The Proposer should provide as much information as possible, including resumes, regarding the number, qualifications, experience and training of the specific staff to be assigned to this agreement. The Proposer should also indicate how the quality of staff over the term of the agreement will be assured.
3. Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the Proposer, 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 Gardena. However, in either case, the City of Gardena reserves the right to approve or reject replacements. This shall also apply to consultants and firm specialists mentioned in response to this request for proposal.
4. Other audit personnel may be changed at the discretion of the Proposer provided that replacements have substantially the same or better qualifications or experience and there is continuity of key staff to ensure an efficient audit process.

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 requested proposal.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

The proposal should identify and describe any anticipated potential audit problems and the adoption of new laws or accounting audit principles that might affect the audit and the Proposer's approach to addressing these problems and any special assistance that will be requested from the City of Gardena.

COST PROPOSAL AND HOURLY RATES

1. The proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses.
2. The proposal should include a schedule of professional fees and expenses, as presented in the format shown in **Exhibit A**, which supports the total all inclusive maximum price in the format shown in **Exhibit B**. Failure to submit complete or incorrect forms may result in proposals being deemed non-responsive.
3. The labor rates proposed shall be fixed for the duration of the contract. In the event a contract change order is required, the labor rates proposed shall be the basis for any contract change order. This shall be a time and materials contract with a total not-to-exceed amount. Proposer shall be solely responsible for considering in their proposed rates any future local, state or federal minimum wage increases and complying with all local, state and federal wage, labor and employment laws.

City of Gardena may deem any proposals that do not follow these instructions as non-responsive.

Proposal Format and Content

PART A | TITLE PAGE

The title page should include the request for proposal subject, the name of the Proposer's firm, local address, telephone number, name of contact person, and date.

PART B | TABLE OF CONTENTS

Include a clear identification of the material section and by page number.

PART C | LETTER OF TRANSMITTAL

1. State whether the Firm is local, national, or international.
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, or management services.
4. Describe the local office's information technology (IT) audit capabilities, including the number and classifications of personnel skilled in IT auditing who will work on the audit, and describe the local office staff experience and familiarity with local government finance software.
5. Describe the local office's recent auditing experiences of local government agencies which prepare a ACFR and give the names and telephone numbers of client officials responsible for five (5) of the audits listed. If available, provide a link to the final published audit report.
6. Describe the document publication technology and staff formatting and proofreading expertise.

PART D | AUDIT TEAM

1. Describe the composition of the audit team, including staff from other than the local office, and consultants. Describe the commitment of the Proposer to providing the same audit team on subsequent audits. Include resumes of each person so identified.
2. Identify the supervisors and consultants who will work on the audit and include resumes of each person so identified.
3. Identify any members of the audit team who are certified ACFR reviewers in the Government Finance Officers' Association (GFOA) Certificate of Excellence in Financial Reporting program.

REQUIRED FORMS

Proposer must submit all the required forms listed below.

	DESCRIPTION	REQUIRED FORMS REFERENCE LETTER
1.	Proposal Submission Checklist	FORM A
2.	Transmittal Letter Form	FORM B
3.	Business Questionnaire	FORM C
4.	Addendum Acknowledgement	FORM D
5.	Client Reference List	FORM E
6.	Designation of Subcontractors	FORM F
7.	Affidavit of Non-Collusion	FORM G
8.	Conflicts of Interest Statement	FORM H
9.	Equal Employment Opportunity Certification	FORM I
10.	Drug-Free Workplace Certification	FORM J
11.	Cost Proposal (refer to instructions)	EXHIBIT A & EXHIBIT B

VI. EVALUATION AND SELECTION PROCESS

The proposals for the City's audit will be evaluated by a committee selected by the Director of Administrative Services. Proposers may be required to make oral presentations as a supplement to their proposals. These presentations would only be held subsequent to the receipt of the proposals and will be part of the evaluation/interview process to determine qualifications of the audit firm. The Director of Administrative Services will schedule a time and location in the City of Gardena for each oral presentation that it requests. Should the Proposer refuse to honor the request for an oral presentation or interview, it may result in the rejection of the proposal by the City.

Evaluation considerations will include the following:

- A. Responsiveness of the proposal in clearly stating the understating of the work to be performed and in demonstrating the intention and ability to perform the work.

- B. Auditors' experience in conducting audits of cities and cities of similar nature, size, complexity, and the auditor's commitment to maintaining technical expertise in the municipal finance environment.
- C. Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration.
- D. Experience in working with government finance software and ability to accept electronic reports and review transactions and documents in electronic format.
- E. Size and structure of the Firm's office from which the audit work is to be done and continuity in staff. The City is looking for a highly qualified team that is able to meet the due dates specified in this document, and it expects that same team to complete any successive year's engagements.
- F. Ability of the Firm in providing technical support to finance staff as it relates to implementation of new accounting standards and recording and reporting of complex transactions.
- G. Cost. Although a significant factor, cost will not be the primary factor in the selection of an audit firm.
- H. Auditors' experience in complying with applicable federal and state regulations relating to non-discrimination and equal employment opportunity.

VII. PROPOSAL TERMS AND CONDITIONS

1. CONTRACT AWARD

Contract award shall be made to the most qualified firm with whom City is able to reach an agreement. City reserves the right to select the proposal that it believes is most advantageous to the City.

City shall notify the successful Proposer by a contract award letter. Contract award will be contingent upon receipt of evidence of the Contractor's ability to meet the insurance requirements and other requirements in this proposal.

2. EXAMINATION OF PROPOSAL MATERIALS

The submission of a proposal shall be deemed a representation and warranty by the proponent that it has investigated all aspects of the RFP, that it is aware of

the applicable facts pertaining to the RFP process and its procedures and requirements, and that it has read and understands the RFP. No request for modification of the provisions of the proposal shall be considered after its submission on the grounds the proponent was not fully informed as to any fact or condition.

3. ADDENDA INTERPRETATIONS

If it becomes necessary to revise any part of this RFP, a written addendum will be provided to each firm that requested to be added to the notification list, and said addenda will be uploaded to the City website and PlanetBids. The City of Gardena is not bound by any oral representations, clarifications, or changes made in the RFP by the City or its agents, unless such clarifications or change is provided in written addendum from the City of Gardena.

4. DESIGNATED CONTACT

For the purposes of this RFP, the Director of Administrative Services is designated as the contact person. However, any questions concerning this RFP shall be submitted to PlanetBids. All questions must be received by **February 28, 2024 by 12:00 PM (PST)**.

Responses to questions will be posted on PlanetBids, and will become part of the RFP. It is the consultant's responsibility to check the website for updates.

5. PUBLIC RECORDS POLICY

Responses (proposals) to this Request for Proposal (RFP) and the documents constituting any agreement entered into thereafter become the exclusive property of City of Gardena and shall be subject to the California Public Records Act (Government Code Section(s) 7920.000 - 7930.215). City's use and disclosure of its records are governed by this Act.

Those elements in each proposal which Proposer considers to be trade secrets, as that term is defined in Civil Code Section 3426.1(d), or otherwise exempt by law from disclosure, should be prominently marked as "TRADE SECRET", "CONFIDENTIAL", or "PROPRIETARY" by Proposer. City of Gardena will use its best efforts to inform Proposer of any request for disclosure of any such document. City of Gardena shall not in any way be held liable or responsible for the disclosure of any such records including, without limitation, those so marked if disclosure is deemed to be required by law or by an order of the Court.

In the event of litigation concerning disclosure of information, the Proposer considers exempt from disclosure, City will act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If the City of Gardena is required to defend an action arising out of a Public Records Act request for any of the contents of a Proposer's proposal marked "Confidential", "Proprietary", or "Trade Secret", Proposer shall defend and indemnify City from

all liability, damages, costs, and expense, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

To ensure confidentiality, Proposers are instructed to enclose all "Confidential", "Proprietary", or "Trade Secret" data in separate sealed envelopes, which are then included with the proposal documents. Because the proposal documents are available for review by any person after award of an agreement resulting from an RFP, City shall not in any way be held responsible for disclosure of any "Confidential", "Proprietary", or "Trade Secret" documents that are not contained in envelopes and prominently marked. This RFP document and all submittals in response thereto are public records. Prospective consultants are cautioned not to include any material into the proposal that is strictly proprietary in nature.

6. PROPOSAL COSTS

All costs associated with the preparation of RFP submittals shall be borne by the respondent. This RFP does not constitute any form of offer to contract.

7. RESERVATION OF RIGHTS

The City reserves the right, for any reason, to accept or reject any one or more proposals; to negotiate the terms and specifications of the proposal; to modify any part of the RFP; or issue a new RFP.

8. PRODUCT OWNERSHIP

Any documents resulting from the contract will be the property of the City.

9. DEBARMENT AND SUSPENSION

Each Proposer must certify and submit documentation (such as a notarized affidavit) showing that neither the Proposer nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

10. INTERESTS OF MEMBERS OF, OR DELEGATES TO CONGRESS

No members of, or delegates to, the Congress of the United States shall be admitted to any share or part of an agreement or to any benefit arising therefrom.

No member, officer, or employee of the public body or of a local public body during his tenure or for one year thereafter shall have any interest, direct or indirect, in this solicitation or the proceeds thereof.

11. LAWS TO BE OBSERVED

Each Proposer shall keep itself fully informed of all existing and future State and Federal laws, all municipal and state regulations all such orders, decrees,

ordinances and laws of bodies, or tribunals, including other municipalities or counties whether in the State of California, or another State, having any jurisdiction or authority over which in any manner affect those engaged or employed in the work, or the materials used in the work or in any way affect the conduct of the work.

Failure by Proposer to carry out these requirements is a material breach of agreement, which may result in the termination of this solicitation or other such remedy as City of Gardena may deem appropriate.

12. PROFESSIONAL SERVICES AGREEMENT

All Proposers must identify in their proposal any terms and conditions of the sample Professional Service Agreement (Exhibit D) that they wish to negotiate. Insurance is required as outlined in Section 22 of the sample agreement.

13. CAUSES FOR DISQUALIFICATION

Any of the following may be considered cause to disqualify a proponent without further consideration:

- Evidence of collusion among proponents;
- Any attempt to improperly influence any member of the evaluation panel;
- A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.

14. PROTEST PROCEDURES

City of Gardena Ordinance No. 1493 specifies the policies and procedures to be used to ensure that all purchases, contracts and services are obtained through fair and open competition. The Purchasing Officer has the authority and the responsibility to ensure that all procurement is in compliance with this policy. The Purchasing Officer shall also ensure that all prospective Proposers are informed of the procedures to file a "Proposal Protest".

Should any individual, organization or group believe that these policies have been violated they may make an appeal in writing to the Purchasing Officer who is obligated to investigate the protest and provide an official response to the protest. Protests shall be submitted within ten (10) working days of notification that a proposal has been awarded. All protests shall state specifically:

1. The Proposal title, opening or award date, purchase order or other identifying data;
2. The specific policy that is alleged to have been violated;
3. The adverse effect alleged to have resulted from the policy violations;
4. The corrective action being sought as a remedy.

The Purchasing Officer will respond in writing to the protester no later than ten (10) working days from receipt of the protest. The response shall include:

- a) Review of the policy as applied in the transaction being questioned.
- b) Response to each material issue raised in the protest.
- c) Statement of whether a violation has indeed occurred.
- d) Corrective action to be taken if any is warranted.

A copy of the complaint and the response will be forwarded to the City Manager for review prior to submittal to the protester. According to City policies, the decision of the Purchasing Officer is appealable to the City Manager. If no appeal has been received in the office of the City Manager, the decision of the Purchasing Officer shall be considered final on the fifth working day following the date of notification to the protester. Should an appeal be received by the City Manager, a response will be provided to the protestor within five (5) working days and shall be considered final.

Whenever possible, the award of procurement will not be made final until all Proposal protests have been satisfactorily resolved. Final award will not be made until five (5) days after notification of protest decision has been provided to the protesting parties. The City does reserve the right to proceed with the award pending the resolution of the proposal protest when it is determined that:

- a) The items to be procured are urgently required;
- b) Deliver or performance will be unduly delayed by failure to make the award promptly; or
- c) Failure to make prompt award will otherwise cause undue harm to the City or funding agent.

When federal or state funding is involved, these procedures will be followed and will be supplemented by the regulations of the funding source. Should there be a conflict in the funding regulations and those set forth herein by the City, the more restrictive procedure shall take precedence.

Proposal protests are to be directed in writing to:

City of Gardena
Attn: Purchasing Officer
Proposal Protest for – RFP No. 2024-002 PROFESSIONAL AUDITING SERVICES
1700 West 162nd Street
Gardena, CA 90247

Formal Protests shall clearly state the following on the *outside* of the envelope:
PROPOSAL PROTEST FOR- RFP No. 2024-002 PROFESSIONAL AUDITING SERVICES

EXHIBIT A

Schedule of Professional Fees and Expenses to Support the Total All-Including Maximum Price				
	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	<hr/>	<hr/>	<hr/>	<hr/>
Manager	<hr/>	<hr/>	<hr/>	<hr/>
Supervisory Staff	<hr/>	<hr/>	<hr/>	<hr/>
Other (Specify)	<hr/>	<hr/>	<hr/>	<hr/>
Sub-Total				<hr/>
Out-of-Pocket Expenses				<hr/>
Total				<hr/>

EXHIBIT B

All-Inclusive Maximum Price by Report	FY 2023/24	FY 2024/25	FY 2025/26	Optional Years	
				FY 2026/27	FY 2027/28
City Audit/ACFR					
GTrans Enterprise Fund					
Single Audit					
GANN Limit					
Total					

EXHIBIT C

FORM A PROPOSAL SUBMISSION CHECKLIST

This checklist shall be completed and returned with your proposal. Failure to return this checklist and the required documents may be cause for considering the proposal non-responsive.

	DESCRIPTION	REQUIRED FORMS REFERENCE LETTER	PROPOSER'S INITIALS
1.	Proposal Submission Checklist (This	FORM A	
2.	Transmittal Letter Form	FORM B	
3.	Business Questionnaire	FORM C	
4.	Addendum Acknowledgement	FORM D	
5.	Client Reference List	FORM E	
6.	Designation of Subcontractors	FORM F	
7.	Affidavit of Non-Collusion	FORM G	
8.	Conflicts of Interest Statement	FORM H	
9.	Equal Employment Opportunity	FORM I	
10.	Drug-Free Workplace Certification	FORM J	
11.	Cost Proposal (refer to instructions)	EXHIBIT A & EXHIBIT B	

Company Name:	
Name of Proposer initialing document (print):	
Email address of Company Contact:	
Signature:	
Title:	
Date:	

FORM B
TRANSMITTAL LETTER FORM

City of Gardena
Attn: Purchasing Officer
1700 West 162nd Street
Gardena, CA 90247

- 1. Proposer acknowledges receipt of RFP 2024-004 and Addenda No. (s) _____
- 2. Proposer acknowledges its familiarity with requirements defined in Scope of Work.
- 3. This offer shall remain firm for _____ days from the RFP close date.
(minimum 120)

Company Name:	_____
Address:	_____

Telephone:	_____
Print Name/Title:	_____
E-mail:	_____
Date Signed:	_____
Signature:	_____

FORM C
BUSINESS QUESTIONNAIRE

1. Name of Proposed Contractor ("Business", herein): _____

Doing Business As: _____
Other business name, if applicable)

EIN# _____

2. Business Mailing Address: _____
Street Address

City State Zip Code

3. Business Telephone Number: () _____ Fax Number: () _____

E-mail address: _____

4. Business Type: ☐ Individual ☐ Corporation ☐ Partnership ☐ Joint Venture

5. Number of Years in Business: _____

6. Annual Gross Revenue: (M represents Millions)

☐ \$1M or less ☐ \$1M-\$5M ☐ \$5M-\$10M ☐ \$10M-\$16M ☐ \$16M or Over

7. Number of Employees:

☐ Less than 50 ☐ 50-100* ☐ 101-750 ☐ 751-1,000 ☐ 1,001 or over

8. Is Business Owned by Minority Ethnicity? ☐ Yes ☐ No

9. Ethnic Group: ☐ African American ☐ Hispanic American ☐ Native American
☐ Asian Pacific American ☐ Subcontinent Asian American ☐ Caucasian
☐ Other (Please Specify) _____

10. Female Owned Business? ☐ Male Owned Business? ☐

11. Type of Work Performed: ☐ Construction ☐ Wholesale/Distributor ☐ Manufacturing
☐ Professional Service ☐ General/Technical Service ☐ Retail

12. Please provide a brief description of your materials and/or services:

13. Is the Business a subsidiary of another entity? ☐ Yes ☐ No

14. Has the Business, or any officer or partner thereof, failed to complete a contract? ☐ Yes ☐ No

15. Is any litigation pending against the Business? ☐ Yes ☐ No

16. Has the Business ever been declared a "not responsible" vendor by a public agency? ☐ Yes ☐ No

17. Has the Business been debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded or otherwise disqualified from bidding, proposing or contracting? ☐ Yes ☐ No

FORM C Continued
BUSINESS QUESTIONNAIRE

18. Has the Business been a defaulter, as principal, surety or otherwise? ☐ Yes ☐ No
19. Has the government or other public entity requested or required enforcement of any of its rights under a surety agreement on the basis of a default or in lieu of declaring the Business in default? ☐ Yes ☐ No
20. Is the Business in arrears upon a contract or debt? ☐ Yes ☐ No
21. Are there any proceedings pending relating to the Business' responsibility, debarment, suspension, voluntary exclusion or qualification to receive a public contract? ☐ Yes ☐ No
22. Have liquidated damages or penalty provisions been assessed against the Business for failure to complete the work on time or for any other reason? ☐ Yes ☐ No
23. If a "yes" response is given under questions 15 through 22, please provide a detailed explanation including dates, references to contract information, contacts, etc. (attach additional pages as necessary). City reserves the right to inquire further with respect thereto.

24. Name of principal financial institution for financial responsibility reference.

Name of Bank: _____

Address: _____

City and State: _____

Officer familiar with proposers account: _____

Federal Taxpayer I.D. number: _____

25. Please check all classifications that apply to your business:

☐ DBE ☐ WBE ☐ MBE ☐ SBE ☐ SBRA ☐ LSAF

I, individually and on behalf of the business named above, do by my signature below certify that the information provided in this questionnaire is true and correct. I understand that if the information provided herein contains any false statements or any misrepresentations: 1) City will have the grounds to terminate any or all contracts which City has or may have with the business; 2) City may disqualify the business named above from consideration for contracts and may remove the business from City's proposers list; or/and 3) City may have grounds for initiating legal action under federal, state or local law.

Note: This questionnaire is also a certification form; the information requested will be used to determine small business status as per 13 CFR Part 121. Additionally, this information will allow City to report the amount of subcontracting activity with all businesses that offer the commodities and services used by City.

Printed Name: _____ Title: _____

Signature of Owner: _____ Date: _____

(Owner, CEO, President, Majority Stockholder or Designated Representative)

FORM D
ADDENDUM ACKNOWLEDGEMENT

Proposer acknowledges receipt of the following addenda which are attached to the Proposal:

Addendum No. _____	Date _____
Addendum No. _____	Date _____
Addendum No. _____	Date _____

Failure to acknowledge the receipt of all addenda may cause the Proposal to be considered non-responsive.

If Proposer is a corporation, state the legal name of the corporation and the name(s) of person(s) authorized to sign Proposals; if a partnership, state true name of firm and the names of all individual partners; if an individual, state name in full.

Date: _____, 20____

Company: _____

Signed: _____

Name: _____

Title: _____

Telephone: _____

FORM E
CLIENT REFERENCE LIST

All references shall be reachable and willing to furnish information by telephone conversation or email. Please ensure contact information is accurate and up-to-date.

1. Project:
 Contact Person:
 Company Name:
 Telephone Number:
 E-mail Address:

2. Project:
 Contact Person:
 Company Name:
 Telephone Number:
 E-mail Address:

3. Project:
 Contact Person:
 Company Name:
 Telephone Number:
 E-mail Address:

4. Project:
 Contact Person:
 Company Name:
 Telephone Number:
 E-mail Address:

Signature of Authorized Person

Name, Title

Company Name

FORM F

DESIGNATION OF SUBCONTRACTORS

Propose shall provide the names and business addresses of each subcontractor who will perform work under the contract.

Attach additional copies of this form if more space is needed.

Company Name and Address / Contact Name and Phone No. <u>INCLUDE LICENSE NUMBERS</u>	DBE (Included in CUCP List) (Yes / No)	Small Business Enterprise (Yes / No)	Description of Work/Services	Estimated Dollar Amount

FORM G
AFFIDAVIT OF NON-COLLUSION

Submit this form with the Price Proposal, failure to do so is grounds for disqualification.

I hereby swear (or affirm) under penalty of perjury that:

1. I am the Proposer (if the Proposer is an individual), a partner in the proposal (if the Proposer is a partnership), or an officer or employee of the proposing corporation and have authority to sign on its behalf (if the Proposer is a corporation);
2. The Proposer has independently produced the attached proposal(s) without collusion, agreement, understanding or planned common course of action, with any other source, that would limit independent proposing competition;
3. The contents of the proposal(s) have not been communicated by the Proposer and or its employees and or agents to any person not an employee and or agent of the Proposer or its surety, on any bond furnished with the proposal, and will not be communicated to any such person prior to the official opening of the proposal, and
4. I have fully informed myself regarding the accuracy of the statements made in this affidavit.

Proposer's Company Name

Legal Structure (corp./partner/proprietor)

Principal Office Address

City, ST, Zip

Phone Number

Fax Number

E-Mail

Federal Employer Identification Number

Title of Person Authorized to Sign

Print Name of Person Authorized to Sign

Authorized Signature and Date

Proposers shall provide a list of all entities with which it has relationships that create, or would appear to create, a conflict of interest with the work that is contemplated by this project. The list should indicate the name of the entity, the relationship to the Proposer, and a discussion of the conflict.

FORM I
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The successful bidder hereby certifies compliance with all applicable equal employment opportunity laws and regulations, as applicable:

1. In implementing the project, the successful bidder may not discriminate against any employee or applicant for employment because of race, color, creed, sex, disability, age or national origin. The recipient agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, creed, sex, disability, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
2. The successful bidder shall be responsible for requiring that all subcontractors of the project comply with this provision, except subcontracts for standard commercial supplies of new materials.

Date

Company

By:

Signature of Authorized Official

Print Name of Authorized Official

Title of Authorized Official

FORM J
DRUG-FREE WORKPLACE CERTIFICATION

I, _____, hereby certify on behalf of
(name of authorized official)

_____ that:
(name of company)

The Contractor named above, and all Sub-Contractors working on this Contract, will comply with Government Code Section 8355 in matters relating to providing a drug-free workplace. The Contractor and all Sub-Contractors will, therefore:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance are prohibited, and that specified actions will be taken against employees for violation of these prohibitions, as required by Government Code Section 8355(a).
2. Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b), to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace.
 - b. The firm's policy of maintaining a drug-free workplace.
 - c. Any available counseling, rehabilitation and employee assistance programs, and;
 - d. Penalties that may be imposed upon employees for drug abuse violations, including that no employee who tests positive for use of a controlled substance shall be permitted to work on this Contract.
3. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed Contract:
 - a. Will receive a copy of the firm's drug-free policy statement, and;
 - b. Will agree to abide by the terms of the firm's statement as a condition of employment on the Contract.

CERTIFICATION:

I, _____, hereby certify that the above named company, which I am duly authorized to represent, will comply with the Drug-Free Workplace requirements of this Contract. I understand that this certification is made under penalty of perjury, under the laws of the State of California.

Executed this _____ day of _____, 20__

By _____
(Signature of Authorized Official)

(Title of Authorized Official)

AGREEMENT BETWEEN THE
THE CITY OF GARDENA
AND

This contract, hereinafter referred to as Agreement is entered into this _____ day of _____, 2024, by and between THE CITY OF GARDENA ("City") and _____, a [state] [type of entity] ("Consultant"). Based on the mutual promises and covenants contained herein, the Parties hereto agree, as follows.

1. Recitals.

- A. Whereas, City requires the services of a professional to perform audit services; and
- B. Whereas, Consultant has represented that it is qualified by virtue of experience, training, education and expertise to provide these services; and
- C. Whereas, City has determined that the public interest, convenience and necessity require the execution of this Agreement.
- D. WHEREAS, no official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

2. Services.

A. The services to be performed by Consultant shall consist of the following ("Services"): As specified in **Exhibit "A"**, attached hereto and incorporated herein by reference, unless otherwise instructed by City.

B. The Services shall be performed in accordance with the Project Schedule set forth in **Exhibit A**. Consultant shall not be liable for any failure or delay in furnishing proposed Services resulting from fire, explosion, flood, storm, Act of God, governmental acts, orders or regulations, hostilities, civil disturbances, strikes, labor difficulties, difficulty in obtaining parts, supplies, or shipping facilities, inability to obtain or delays in obtaining suitable material or facilities required for performance, temporary unavailability of qualified personnel, failure by City to provide appropriate access to equipment or personnel, or other causes beyond Consultant's reasonable control.

3. Additional Services. If City determines that additional Services are required to be provided by Consultant in addition to the Services set forth above, City shall authorize Consultant to perform such additional Services in writing ("Additional Services"). Such Additional Services shall be specifically described and approved by City in writing prior to the performance thereof. Consultant shall be compensated for such Additional

Services in accordance with the amount agreed upon in writing by the Parties. No compensation shall be paid to Consultant for Additional Services which are not specifically approved by City in writing.

4. Consultant's Proposal. This Agreement shall include Consultant's proposal or bid which is incorporated herein as **Exhibit A**. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

5. Timing of Performance. Time is of the essence with respect to Consultant's performance of the Services required by this Agreement. Consultant shall diligently and timely pursue and complete the performance of the Services required of it by this Agreement as set forth in **Exhibit A**. City, in its sole discretion, may extend the time for performance of any Service.

6. Compensation. Compensation for the Services shall be billed as set forth in **Exhibit ***, attached hereto. The Compensation is inclusive of all costs that may be incurred by Consultant in performance of the Services, including but not limited to such items as travel, copies, delivery charges, phone charges, and facsimile charges, unless otherwise. In no event shall compensation under this Agreement exceed SPELL OUT AMOUNT and 00/00 (\$*) without the prior written authorization of the City Council.

7. Term of Agreement/Termination. This Agreement shall commence on the Effective Date and continue for a period of three (3) years, ending on _____, 20__, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. This Agreement may be extended by two [2] additional one [1] year periods upon mutual written agreement of both parties.]

A. This Agreement shall be effective as of the date of execution by the City and shall remain in effect until all Services are completed or until terminated as provided for herein.

B. City may terminate this Agreement without cause by providing written notice to Consultant not less than ten days prior to an effective termination date. City's only obligation in the event of termination will be payment of fees and allowed expenses incurred up to and including the effective date of termination.

C. Unless for cause, Consultant may not terminate this Agreement. If Consultant is terminating this Agreement for cause, it must provide the City with thirty (30) days written notice.

D. Upon receipt of a termination notice, Consultant shall: (1) promptly discontinue all Services, unless the notice directs otherwise; and (2) within ten (10) days, deliver to City all files, data, reports, estimates, summaries, and such other information and materials as may have been accumulated or prepared to date by Consultant in performing the Services under this Agreement, whether completed or in progress. Consultant shall provide these documents by both hard copy and in

electronic format if available. In the event of termination for other than cause attributable to Consultant, Consultant shall be entitled to reasonable compensation for the Services it performs up to the date of termination and shall be deemed released from liability for any work assigned but not completed as of the effective date of termination.

8. Agreement Administrator. For purposes of this Agreement, City designates Ray Beeman or designee as the Agreement Administrator who shall monitor Consultant's performance under this Agreement. Consultant shall be notified in writing of any deficiency in the performance of this Agreement in a timely manner by Agreement Administrator. Consultant shall have five (5) business days from receipt of the notification to cure any deficiency to the reasonable satisfaction of the Agreement Administrator. All costs for such corrections shall be borne by Consultant and shall not increase Consultant's fees due hereunder. Should the Agreement Administrator determine that Consultant has not performed its obligation as stated in this Agreement in a satisfactory manner, City may terminate this Agreement for cause as specified in Section- Term of Agreement/Termination. All notices, invoices or other documents shall be addressed to the Agreement Administrator, as well as all substantive issues relating to this contract. City reserves the right to change this designation upon written notice to Consultant.

9. Invoices and Payments.

A. Payment shall be made upon receipt and approval of invoices for Services rendered. In order for payment to be made, Consultant's invoice must include an itemization as to the services rendered, date(s) of service, direct and/or subcontract costs, and be submitted on an official letterhead or invoice with Consultant's name, address, and telephone number referenced.

B. The Agreement Administrator shall review the invoices to determine whether services performed and documents submitted are consistent with this Agreement. Payment shall be made within forty-five (45) days following receipt of the invoice or the Agreement Administrator shall provide Consultant with a written statement objecting to the charges and stating the reasons therefore.

C. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment.

10. Records/Audit.

A. Consultant shall be responsible for ensuring accuracy and propriety of all billings and shall maintain all supporting documentation for a minimum of three (3) years from the completion date of the Services under this agreement the following records:

1. All accounts and records, including personnel, property and financial, adequate to identify and account for all costs pertaining to this Agreement and

assure proper accounting for all funds;

2. Records which establish that Consultant and any subconsultant who renders Services under this Agreement are in full compliance with the requirements of this Agreement and all federal, state and local laws and regulations

3. Any additional records deemed necessary by City to assume verification of full compliance with this Agreement.

B. City shall have the right to audit Consultant's invoices and all supporting documentation for purposes of compliance with this Agreement for a period of three years following the completion of Services under this Agreement.

C. Upon reasonable notice from City or any other governmental agency, Consultant shall cooperate fully with any audit of its billings conducted by, or of, City and shall permit access to its books, records and accounts as may be necessary to conduct such audits.

11. Successors and Assignment. This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

12. Change in Name, Ownership or Control. Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or subconsultant. Change of ownership or control of Consultant's firm may require an amendment to the Agreement.

13. Key Personnel. City has relied upon the professional training and ability of Consultant to perform the Services hereunder as a material inducement to enter into this Agreement. Consultant shall provide properly skilled professional and technical personnel to perform all Services under this Agreement. In the event that City, in its sole discretion, at any time during the Agreement, desires the removal of any person or persons assigned by Consultant to perform Services pursuant to this Agreement, Consultant shall remove any such person immediately upon receiving notice from City.

14. Performance By Consultant. Consultant shall maintain or exceed the level of competency presently maintained by other similar practitioners in the State of California, for professional and technical soundness, accuracy and adequacy of all work, advice and material furnished under this Agreement.

15. Use of Materials.

A. City shall make available to Consultant such materials from its files as may be required by Consultant to perform Services under this Agreement. Such

materials shall remain the property of City while in Consultant's possession. Upon termination of this Agreement and payment of outstanding invoices of Consultant, or completion of work under this Agreement, Consultant shall return to City any property of City in its possession and any calculations, notes, reports, electronic files, or other materials prepared by Consultant in the course of performance of this Agreement.

B. City may utilize any material prepared or work performed by Consultant pursuant to this Agreement, including computer software, in any manner, which City deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes, or corrections made by City, or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

16. Nonuse of Intellectual Property of Third Parties. Consultant shall not use, disclose or copy any intellectual property of any third parties in connection with work carried out under this Agreement, except for intellectual property for which Consultant has a license. Consultant shall indemnify and hold City harmless against all claims raised against City based upon allegations that Consultant has wrongfully used intellectual property of others in performing work for City, or that City has wrongfully used intellectual property developed by Consultant pursuant to this Agreement.

17. Ownership of Work Product. All documents or other information created, developed, or received by Consultant shall, for purposes of copyright law, be deemed worked made for hire for City by Consultant and shall be the sole property of City. Consultant shall provide City with copies of these items upon demand, and in any event, upon termination of this Agreement.

18. Confidentiality Clause. Consultant acknowledges that some of the material and information that may come into its possession or knowledge in connection with this Agreement or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either state or federal statutes ("Confidential Information"). Confidential Information includes, but is not limited to, names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, law enforcement records, agency source code or object code, agency security data, or information identifiable to an individual that relates to any of these types of information. Consultant agrees to hold Confidential Information in strictest confidence and not to make use of Confidential Information for any purpose other than the performance of this Agreement, to release it only to authorized employees or Sub-consultants requiring such information for the purposes of carrying out this Agreement, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make the information known to any other party without City's express written consent or as provided by law. Consultant agrees to release such information or material only to employees or Sub-consultants who have signed a nondisclosure agreement, the terms of which have been previously approved by City. Consultant agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

"Personal information" including, but not limited to, "Protected Health Information" (PHI) under Health Insurance Portability And Accountability Act (HIPAA), individuals' names, addresses, phone numbers, birth dates, and social security numbers collected, used, or acquired in connection with this Agreement shall be protected against unauthorized use, disclosure, modification or loss.

HIPAA establishes national minimum standards for the use and disclosure of certain health information. The Consultant must comply with all HIPAA requirements and rules when determined applicable by the City. If City determines that (1) City is a "covered entity" under HIPAA, and that (2) Consultant will perform "business associate" services and activities covered under HIPAA, then at City's request, Consultant agrees to execute City's Agreement in compliance with HIPAA.

Consultant shall ensure its directors, officers, employees, Sub-consultants or agents use personal information solely for the purposes of accomplishing the services set forth herein. Consultant and its Sub-consultants agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the City or as otherwise required by law.

Any breach of this provision may result in termination of the Agreement and demand for return of all personal information. Moreover, Consultant will indemnify and hold the City harmless from and against all losses and damages resulting from any unauthorized or improper disclosure, dissemination or use of the information as a result, in whole or in part, of Consultant's action or inaction.

19. Legal Requirements.

A. Consultant shall secure and maintain all licenses or permits required by law, including a City business license, and shall comply with all ordinances, laws, orders, rules, and regulations pertaining to the work.

B. Consultant warrants that it shall perform the Services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

C. Consultant covenants that there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin or

ancestry, or any other category forbidden by law in performance of this Agreement.

20. Conflict of Interest and Reporting.

A. Consultant shall at all times avoid conflicts of interest or the appearance of a conflict of interest in the performance of this Agreement. If required, Consultant shall comply with the City's Conflict of Interest reporting requirements. Consultant understands that pursuant to Gardena Municipal Code sections 2.24.020H and 2.24.025G, it is forbidden to make any contribution to a candidate or committee of a candidate for a municipal office of the City, or to an officeholder, until the completion of Services to be performed under this Agreement.

B. Consultant and its representatives shall refrain from lobbying City of Gardena officials, employees and representatives for the duration of this Agreement.

21. Guarantee and Warranty. Consultant warrants to City that the material, analysis, data, programs and Services to be delivered or rendered hereunder will be of the kind and quality designated and will be performed by qualified personnel. Without waiver of City's other rights or remedies, City may require Consultant to re-perform any of said Services, which were not performed in accordance with these standards. Consultant shall perform the remedial Services at its sole expense.

22. Insurance.

A. Commencement of Work. Consultant shall not commence work under this Agreement until it has obtained City approved insurance. Before beginning work hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as may be indicated below, Consultant must have and maintain in place all of the insurance coverage required in this Section. Consultant's insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section and Consultant shall be responsible to obtain evidence of insurance from each subcontractor and provide it to City before the subcontractor commences work. Alternatively, Consultant's insurance may cover all subcontractors.

B. Insurance Company Requirements. All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers admitted to do business in the State of California. Insurers shall have a current Best's rating of not less than A-:VII, unless otherwise approved by City.

C. Coverage, Limits and Policy Requirements. Consultant shall maintain the types of coverage and limits indicated below:

1. Commercial General Liability Insurance - a policy for occurrence coverage for bodily injury, personal injury and property damage, including all coverage provided by and to the extent afforded by Insurance Services Office Form CG 2010 ed.

10/93 or 11/85, with no special limitations affecting City. The limit for all coverage under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence.

2. Commercial Auto Liability Insurance - a policy including all coverage provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting City. The limit for bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000.00) per accident.

3. Policy Requirements. The policies set forth above shall comply with the following, as evidenced by the policies or endorsements to the policies:

a. The City, its appointed and elected officers, employees, agents and volunteers shall be added as additional insured to the policy.

b. The insurer shall agree to provide City with thirty (30) days prior written notice, return receipt requested, of any cancellation, non-renewal or material change in coverage.

c. For any claims with respect to the Services covered by this Agreement, Consultant's insurance coverage shall be primary insurance as respects the City, its elected and appointed officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its elected and appointed officers, employees, agents and volunteers shall be excess of Consultant's insurance and shall not contribute with it.

4. Worker's Compensation and Employer's Liability Insurance - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars per claim. The policy shall be issued by an insurance company which is admitted to do business in the State of California and shall contain a clause that the policy may not be canceled without thirty (30) days prior written notice, return receipt requested, is mailed to City.

5. Professional Errors & Omissions - a policy with minimum limits of one million dollars (\$1,000,000.00) per claim and aggregate. This policy shall be issued by an insurance company which is admitted to do business in the State of California and shall contain a clause that the policy may not be canceled until thirty (30) days written notice, return receipt requested, is mailed to City.

D. Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit Consultant's liability hereunder or to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against City for payment of premiums or other amounts with respect thereto. City shall notify Consultant in writing of changes in the insurance requirements. If Consultant does not deposit copies of acceptable insurance policies or endorsements

with City incorporating such changes within sixty (60) days of receipt of such notice, Consultant shall be deemed in default hereunder.

E. Deductibles. Any deductible or self-insured retention over \$25,000 per occurrence must be declared to and approved by City. Any deductible exceeding an amount acceptable to City shall be subject to the following changes: either the insurer shall eliminate or reduce such deductibles or self-insured retentions with respect to City, its officers, employees, agents and volunteers (with additional premium, if any, to be paid by Consultant); or Consultant shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration and defense expenses.

F. Verification of Compliance. Consultant shall furnish City with original policies or certificates and endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by City before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, Consultant shall deliver to City a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefore, or accompanied by other proof of payment satisfactory to City. Consultant shall provide full copies of any requested policies to City within three (3) days of any such request by City.

G. Termination for Lack of Required Coverage. If Consultant, for any reason, fails to have in place, at all times during the term of this Agreement, including any extension hereto, all required insurance and coverage, City may immediately obtain such coverage at Consultant's expense and/or terminate this Agreement.

23. Indemnity.

A. Consultant assumes all risk of injury to its employees, agents, and contractors, including loss or damage to property.

B. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents, employees and volunteers, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents, employees and volunteers arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents,

employees and volunteers based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

C. No official, employee, agent or volunteer of City shall be personally liable for any default or liability under this Agreement.

24. Independent Contractor. Consultant agrees to furnish consulting services in the capacity of an independent contractor and neither Consultant nor any of its employees shall be considered to be an employee or agent of City.

25. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing Services under this Agreement claims or 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 indemnify, defend, and hold harmless 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.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

26. Notices. Any notice or communication given under this Agreement shall be effective when deposited, postage prepaid, with the United States Postal Service and addressed to the contracting parties. Name, address, telephone and facsimile numbers of the parties are as follows:

City of Gardena:
1700 West 162nd Street
Gardena, California 90247-3732
Attn: Ray Beeman
Title: Director of Administrative Services
Email: _____
Telephone: (____) _____

To Consultant: Name of Consultant
Street Address or P.O. Box
City, State Zip Code
Attn: _____
Email: _____
Telephone: (____) _____

Either party may change the information to which notice or communication is to be sent by providing advance written notice to the other party.

27. Severability. If any provision of this Agreement shall be held illegal, invalid, or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to make it legal, valid, and enforceable, and the legality, validity, and enforceability of the remaining provisions shall not be affected thereby.

28. Jurisdiction and Venue. This Agreement shall be deemed a contract under the laws of the State of California and for all purposes shall be interpreted in accordance with such laws. Both parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that the venue of any action brought hereunder shall be Los Angeles County, California.

29. Waiver. No delay or failure by either Party to exercise or enforce at any time any right or provision of this Agreement shall be considered a waiver thereof or of such Party's right thereafter to exercise or enforce each and every right and provision of this Agreement. To be valid a waiver shall be in writing but need not be supported by consideration. No single waiver shall constitute a continuing or subsequent waiver.

30. Entire Agreement. This Agreement contains the entire understanding between City and Consultant. Any prior agreement, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by both parties. This Agreement may be signed by the parties hereto in separate counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic signatures. Electronic signatures include facsimile or email electronic signatures. Each executed counterpart shall be deemed an original. All counterparts, taken together, constitute the executed Agreement. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

31. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, used in connection with the execution of this Agreement and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Agreement had been delivered and had been signed using a handwritten signature. City and Consultant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Agreement is

intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will reply on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature. If this Agreement has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

32. Joint Drafting. Each party acknowledges that it has had an adequate opportunity to review each and every provision in this Agreement and to submit the same to counsel and other consultants for review and comment and that the parties jointly drafted this Agreement. No provision of this Agreement or any Assignment shall be construed more strictly against one party than the other party by reason that one or the other party proposed, drafted or modified such provision or any other existing or proposed provision.

33. Governing Law. This Agreement shall be interpreted and construed according to the laws of the State of California. Any action commenced about this Agreement shall be filed in the appropriate branch of the Los Angeles County Municipal or Superior Court.

34. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

35. Authority to Execute. The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

36. Attorney's Fees. In the event that legal action is necessary to enforce the provisions of this Agreement, or to declare the rights of the parties hereunder, the parties agree that the prevailing party in the legal action shall be entitled to recover

attorney's fees and court costs from the opposing party.

37. Section Headings. The Section headings used in this Agreement are for reference purposes only and shall have no binding effect.

38. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties have hereunto affixed their names as of the day and year written below.

"City"
City of Gardena

By: _____
Tasha Cerda, Mayor

Date: _____

"Consultant"
Name of Consultant or Consultant Company

By: _____
Name and title of individual

Date: _____

By: _____
Name and title of individual

Date: _____

ATTEST:

Mina Semenza, City Clerk

APPROVED AS TO FORM:

Carmen Vasquez, City Attorney