



January 13, 2015

Re: Request for Proposals for Professional Auditing Services

Dear Firm Representative,

The City of Lafayette is requesting proposals from qualified certified public accounting firms to audit its financial statements for the fiscal years ending June 30, 2015 through June 30, 2017 with the option of extending the contract for two (2) additional one-year periods. Enclosed for your consideration is a Request for Proposals (RFP).

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP. Completed proposals must be received at the following address by 4:00 p.m. on February 20, 2015.

City of Lafayette
Attention: Joanne Robbins, City Clerk
3675 Mt. Diablo Blvd. #210
Lafayette, CA 94549

All questions and correspondence should be directed to Jennifer Wakeman, Financial Services Manager, in writing to the above address, by calling (925) 299-3213 or via email to jwakeman@ci.lafayette.ca.us.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Wakeman".

Jennifer Wakeman
Financial Services Manager

Enclosures



REQUEST FOR PROPOSALS FOR PROFESSIONAL AUDITING SERVICES

JANUARY 13, 2015

City of Lafayette
Finance Division
3675 Mt. Diablo Boulevard, #210
Lafayette, CA 94549

Contact Person – Jennifer Wakeman, Financial Services Manager
Phone (925) 299-3213
Fax (925) 284-3169

Bid Deadline: 2 Copies of Proposal by February 20, 2015- 4:00 p.m.

CITY OF LAFAYETTE
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES
January 13, 2015

I. INTRODUCTION

A. General Information

The City of Lafayette (City) is requesting proposals (RFP) from qualified certified public accounting firms to audit its financial statements for the fiscal years ending June 30, 2015 through June 30, 2017 with the option of extending the contract for two (2) additional one-year periods, at the City's sole discretion. The contract may be canceled if the City determines the audit services to be unsatisfactory.

These audits are to be performed in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act, and United States Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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

It is anticipated that a recommendation and proposed contract will be prepared for review and approval by the City Council at its March 9, 2015 meeting. The City reserves the right to reject any or all proposals submitted. The proposal package shall present all-inclusive audit fees for each year of the proposed contract term.

B. Background Information

Incorporated in 1968, the City of Lafayette is located in Contra Costa County, a growing area in the eastern portion of the San Francisco Bay Area. The City has a permanent staffing level of approximately 41 City employees and serves approximately 25,000 residents. Located on 15.39 square miles, Lafayette is noted for its high quality of life with top rated schools, low crime rate, small town downtown, clean air, mild climate, and oak tree-studded hills.

Lafayette is located along Highway 24, approximately 25 miles east of San Francisco. The City is primarily a residential community with commercial and light industrial enterprises, as well as local governmental offices. Lafayette's commercial district lies in the center of the community and offers a wide variety of services for residents in addition to boutique shopping and fine dining. The annual Art & Wine Festival attracts as many as 80,000 visitors to the City each year in September.

The City operates under the Council-Manager form of government, and is governed by a five-member Council elected at large, serving staggered four-year terms. Council elections are held in November of even numbered years. The Mayor is elected by the Council members from within its ranks to serve rotating one-year terms. The City Manager is appointed by the City Council and the City Attorney responsibilities are contracted out. The City Manager appoints all Department Directors and through them, all other employees of the City.

City departments and areas of responsibility are described below:

Council, Commissions, and Community Support- City Council, Commissions for Public Art, Circulation, Crime Prevention, Parks, Trails & Recreation, Senior Services, Youth, Planning, and Design Review

Police Services (contracted through the county)- Police Services, Emergency Preparation Commission, Crossing Guards, Traffic Enforcement, and Parking

Public Works- Road & Drain Maintenance, Traffic Maintenance, Emergency Response, Core Area Maintenance

Planning and Engineering- Planning Services, Code Enforcement, Engineering Services, Capital Improvement Program

Administration- City Manager, Legal Services, City Clerk, Administrative Services, Technology Services, Insurance

Parks and Recreation- Recreation Programs, Parks and Trails Maintenance, Community Center Maintenance

Lafayette is a limited service city and contracts with Contra Costa County for police and library services. The City does not provide fire services, water or sewer utilities; these services are provided by separate special districts.

The City maintains one Enterprise Fund for its Recreation Programs.

The City also maintains Fiduciary Funds for the following agencies:

- Successor Agency to the Redevelopment Agency of the City of Lafayette, which has been incorporated into the City CAFR
- Lamorinda School Bus Transportation Authority, which has its own audit report that is overseen by City Staff
- Lamorinda Fee and Finance Authority, which has its own audit report that is overseen by City Staff

C. Financial Information

The City's total operating budget for Fiscal Year 2014-15 is approximately \$13 million and the total budget for all funds is approximately \$35 million. Of the all funds budget, the Fiscal Year 2014-15 Capital Budget is approximately \$6.5 million.

The City receives grants from various programs, which may impose specific audit requirements, including the Community Development Block Grant Urban Counties program (CDBG), State and Federal COPS programs, Transportation Development Act program (TDA), and various federal and state street related projects.

The City also receives an annual allocation of Contra Costa County Transportation Authority (Measure J) Sales Tax revenue. The use of these monies is restricted to transportation and bike/pedestrian related improvements. In Fiscal Year 2014-15 \$430,000 in Measure J revenue is anticipated to be received.

The City's budget for 2014-15 reflects the conditions of the local economy, which is anticipated to exhibit an incremental recovery. The City remains in very good financial health with a projected

General Fund balance of \$7 million at the end of Fiscal Year 2014-15, which is equal to a reserve of 56%. In addition, Lafayette's conservative financial practices – no pension obligations, balanced budgets, very strong unreserved general fund balance – are what Standard and Poor's called out when it raised its bond rating for Lafayette from AA to AAA. Only 25 of California's 490 cities, and only 169 cities nationwide, have earned this highest-possible bond rating.

STAFFING / OPERATIONS

The Finance Division is responsible for many aspects of City operations; including Accounts Payable, Cash Receipts, Payroll, Investments, Financial Reporting, Bond Management, and Benefits Administration. In addition, they provide accounting and treasury services to the Lamorinda Fee and Finance Authority and the Lamorinda School Bus Transportation Agency, which are both separate joint powers authorities. Currently the Finance Division consists of a Financial Services Manager, an Accountant, and an Accounting Assistant. The Finance Division is part of the Administration Department, and is overseen by the Administrative Services Director.

The software package used is the Abila MIP accounting system, which is used to process cash receipts, accounts payable, payroll and financial reporting. The City's budget is created in Microsoft Excel.

More detailed financial information on the City government, including budget documents and audited financial statements can be found on our website; www.ci.lafayette.ca.us, under City Hall/City Departments/Administration/Finance & Budget.

II. CONTACT PERSON

Questions regarding this RFP may be directed to:

Jennifer Wakeman, Financial Services Manager
Telephone: (925) 299-3213
Fax: (925) 284-3169

III. GENERAL INFORMATION FOR RESPONDING TO THIS RFP

A. To be considered, two (2) copies of the proposal must be sealed and submitted before 4:00 p.m., Friday, February 20, 2015 to the following address:

City of Lafayette
Attention: Joanne Robbins, City Clerk
3675 Mt. Diablo Blvd. #210
Lafayette, California 94549

All proposals must be in a sealed envelope and clearly marked "AUDIT PROPOSAL".

No fax proposals will be accepted. Proposals received after Friday, February 20, 2015 at 4:00 p.m. will not be considered.

B. The Response should address at a minimum the information requested in the subsequent section entitled "Minimum Content of Responses". The format should follow the same sequence as the Minimum Content of Responses section and should be based upon the attached Auditor Scope of

Work. Respondents may include relevant attachments or exhibits. Responses should be presented in a clear and concise format.

- C. The firm receiving the contract for audit services shall procure and maintain, for the duration of the contract, insurance as required in the City's standard consulting services contract (see Exhibit A). The cost of such insurance shall be included in the consultant's proposal.
- D. The City of Lafayette reserves the right to accept or reject any and all proposals and to use any ideas in a proposal regardless of whether or not that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals and in the attached standard consulting services contract, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.
- E. The Council Finance Subcommittee, Administrative Services Director and the Financial Services Manager will be involved in the proposal review process and interviews. The reviewers will consider a variety of factors in recommending the selected firm to the City Council, including evaluating the proposals for compliance with the requirements of the RFP. The following are several criteria to be used; the relative importance of each is not determined by the order shown:
 - a. Understanding of the engagement and the City's needs.
 - b. Experience of the firm and the proposed individuals to be assigned to the audit with performing audits of cities, which are similar in scope.
 - c. Resources available for the timely completion of the audit and scheduling of the work.
 - d. References from similar engagements.
 - e. Cost of services.

During the evaluation process the City reserves the right to request additional information or clarifications from firms submitting proposals, or to allow corrections of errors or omissions.

IV. MINIMUM CONTENT OF RESPONSES

All participating Consultants are requested to provide the following information in their response.

- A. A Title page showing the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
- B. A signed letter of transmittal briefly stating that the firm submitting the proposal a.) is properly licensed to practice in California (including all of the assigned professional staff to the engagement); b.) agrees to perform all of the work outlined in the City's RFP within the time periods established by the City and c.) understands that the firm's proposal is a firm and irrevocable offer through at least June 30, 2015. The letter must contain a certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
- C. A report on its most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The firm also must disclose 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, as well as any pending or settled litigation within the past three (3) years.

- D. A description of the size of the firm's governmental staff and the firm's experience with cities of a similar nature and scope. Emphasis should be placed on assignments undertaken within the past three years and on engagements undertaken by the personnel proposed to be assigned to this agreement.
- E. Identify all primary personnel (partners, managers, supervisors) who will be assigned to work on this project and the firm office in which they are each located. Include brief summaries of their background (including if they hold a current CPA license) and experience in auditing cities as well as their assigned responsibilities under the proposal.
- F. An affirmative statement that engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons **only** with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the firm submitting the proposal, provided that replacements have substantially the same or better qualifications or experience.
- G. The proposal should set forth an audit approach and methodology to be used to perform the services. This may include a discussion of: approach to selection of sample size; use of specialized software; analytical procedures; approach to internal control structure; approach to determining laws / regulations subject to audit test work; identification of any anticipated problems, or special assistance required from City Staff; and the format of the report.
- H. Provide an indication of the time required for the completion of each major phase of the project. Any assumptions regarding turnaround time for City Staff or City Council review should be clearly noted. Also provide a calendar as to when the firm will commit to completing work described in this proposal. Please note that Auditor is responsible for identifying required review times for City input and must account for printing and distribution within any timelines identified in the Scope of Work.

City staff would like to conduct interim fieldwork in June with the final phase of fieldwork taking place in October. It is the City's preference that in subsequent years, this timeline is shortened as much as possible. Historically, interim field work has taken approximately two days to complete, whereas final field work has taken approximately two and a half weeks to complete, and would include any proposed audit adjustments from fieldwork. Staff would like to see draft copies of all audit reports delivered in early to mid November, well in advance of the submittal deadlines for GFOA. The one exception to this would be for the Cities Financial Transactions Report and the Annual Street Report for the State Controller's Office, both of which have necessitated that draft copies be available for City Staff review 7 business days prior to the statutory submittal deadline.

In order to meet the deadline established by the GFOA Comprehensive Annual Financial Report (CAFR) award program, the Auditor will be held responsible for delivering 8 final versions of the bound CAFR and an electronic version of the final reports (PDF) to the City no later than December 15th of each year, unless the deadline is extended in writing by the City.

- I. Provide a listing of all cities for which the firm has performed audits during the last three years
- J. Provide three references for your most representative projects including the following:
 - 1) Name of Public Agency
 - 2) Name and Title of contact person.
 - 3) Telephone Number of contact person.
 - 4) Size of General Fund Budget for the year most recently audited.
 - 5) Size of Agency Finance Department Staff
 - 6) Brief description of the scope of the audit performed.
- K. Provide an electronic file (pdf) of a GFOA award winning audit that your firm prepared for a comparable agency for the fiscal year ended June 30, 2014. In the event that the Fiscal Year 2013-14 award has not yet been received, then the Fiscal Year 2013-14 audit submitted should be that of an agency that received the award for Fiscal Year 2012-13.
- L. Provide fee information on the Not to Exceed Price for Proposed Services Schedule for the completion of the projects described in the Scope of Auditor Services section. The total maximum bid price is to contain all direct and indirect costs, including all out-of-pocket expenses. Costs and total hours required should be specified for each fiscal year. The City will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs shall not be included in the proposal.

Include an hourly fee quotation for all positions to be assigned. Identify an estimate of any reimbursable or non-direct costs, which would be applicable to the completion of the work. Identify proposed method of adjustment, if any, in the cost of services through subsequent years of the engagement.

V. TENTATIVE SCHEDULE FOR SELECTION PROCESS

Request for Proposal Issued	January 13, 2015
Submittal Deadline	February 20, 2015, 4:00 p.m.
Finalist Interviews	February 24/25, 2015
Recommendation to City Council with Agreement	March 9, 2015

The schedule and its components are subject to change.

SCOPE OF AUDITOR SERVICES

I. General

The City of Lafayette is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2015 through June 30, 2017 with the option of extending the contract for two (2) additional one-year periods. These audits are to be performed in accordance with the provisions contained in this request for proposals.

The City of Lafayette desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles, including GASB 34. The audit shall include an examination of all funds of the City of Lafayette by certified public accountants duly authorized to practice as such by the State of California. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board, as mandated by generally accepted auditing standards.

Auditor shall review and verify all trial balance worksheets and summary schedules including balance sheets, revenues, expenditures, and changes in fund balance for each fund of the City. Data source for the schedules will be the financial statements supplied by the City. An initial draft of the CAFR will be prepared by City Staff and will be given to the auditors during the final stage of the audit. Final report preparation and necessary editing shall be the responsibility of the Auditor. Reproduction of reports is discussed in Section V below.

Auditor shall submit for management review a draft of all reports. The final reports are subject to review by the Council Finance Subcommittee. Auditor shall incorporate, as part of the basic proposal, meeting time with Staff and the committee for the purpose of discussing the audits or management letter and its conclusions.

Upon completion of the City's CAFR, auditor shall review initial drafts of the Lamorinda School Bus Transportation Authority and the Lamorinda Fee and Finance Authority, which will be prepared by City Staff. Final report preparation and necessary editing shall be the responsibility of the Auditor. Reproduction of reports is discussed in Section V below.

Throughout the year, Auditor will provide financial advice and counsel on matters that would affect the annual report.

II. Basic Reports To Be Issued

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

- A. Independent Auditor's Report - Reports on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including GASB 34, based upon audits of the Basic Financial Statements of the City. The other supplementary information listed in the Table of Contents in the City's CAFR, including combining schedules and additional budgetary comparison schedules, are not a required part of the basic financial statements. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting

schedules. The information presented shall be based on the auditing procedures applied during the audits of these basic financial statements. The auditor is not required to audit the statistical section of these reports.

- B. A Management Letter, which includes findings, statements, observations, opinions, comments, or recommendations, related to:
1. Systems of internal control based upon the auditors' understanding of the control structure and assessment of control risk.
 2. Compliance with applicable laws and regulations.
 3. Accounting systems, functions, procedures and processes, especially with regard to cost effectiveness.
- C. Agreed Upon Procedures Performed Related to the calculation of the Gann Appropriations Limitation.

III. Additional Reports to Be Requested At City Option

Due to the fluctuation in the receipt of special grant funds, the need for some reports will be based upon whether the City meets the audit threshold for the specific program. In addition, the City may periodically request an audit of transient occupancy taxes collected by one or more of the hotels located within the City.

- A. Single Audit Report of Federal Financial Assistance (Note: Based upon anticipated grant revenues for Fiscal Year 2014-15, this report is anticipated to be needed for Fiscal Year 2014-15.)
- B. Metropolitan Transportation Commission (MTC) Bicycle / Pedestrian Projects in accordance with the Transportation Development Act (TDA).
- C. State-Local Transportation Partnership Program as administered by the State of California Department of Transportation.
- D. Audit of Transient Occupancy Tax revenues collected by one of the hotels located within the City.
- E. Contra Costa County Transportation Authority - Measure J Local Distribution Compliance Audit.
- F. Cities Financial Transactions Report to the State Controller
- G. Annual Street Report to the State Controller

IV. Supplemental Reports / Studies

Reports on other audits or agreed-upon procedures may be agreed to in writing and as stated in a supplemental audit agreement. Prior to beginning work, the scope of the study and associated costs shall be approved by the City.

V. Number of Copies of Report To Be Produced

- A. CAFR - 8 bound copies and 1 pdf file
- B. Independent Auditor's Report – 8 unbound copies and 1 pdf file
- C. Management Letter - 8 unbound copies and 1 pdf file
- D. Gann Limit - 2 unbound copies and 1 pdf file
- E. Audit of the Lamorinda School Bus Transportation Agency – 5 bound copies and 1 pdf file
- F. Audit of the Lamorinda Fee and Finance Authority – 5 bound copies and 1 pdf file
- G. Single Audit (if applicable) - 8 bound reports and 1 pdf file
- H. MTC Audit (if applicable) - 2 bound reports and 1 pdf file
- I. SLTPP (if applicable) - 2 bound reports and 1 pdf file
- J. Transient Occupancy Tax audit (if applicable) - 2 bound reports and 1 pdf file
- K. Measure J Compliance Audit (if applicable) - 2 bound reports and 1 pdf file
- L. Cities Financial Transactions Report to the State Controller (if applicable) - 1 unbound copy and 1 pdf file
- M. Annual Street Report to the State Controller (if applicable) - 1 unbound copy and 1 pdf

VI. Standards To Be Followed

To meet the requirements of this request for proposals, these audits are to be performed in accordance with all applicable and generally accepted auditing standards including: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office's (GAO) Government Auditing Standards, and in the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

VII. Special Considerations

- A. The City of Lafayette hopes to be awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2014-15 CAFR. The format of reports shall allow the City to meet the requirements of that program. This also requires that the Auditor ensure that the audit report and financial statements are complete in time for submission to GFOA. The Auditor shall also assist with developing responses to any comments or deficiencies noted by GFOA.
- B. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal controls and compliance, are not to be included in the comprehensive annual financial report, but are to be issued separately.

VIII. Working Paper Retention and Access to Working Papers

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

- City of Lafayette
- Parties designated by the federal or state governments or by the City of Lafayette as part of an audit quality review process
- Auditors of entities of which the City of Lafayette is a sub-recipient of grant funds
- State of California, Office of the State Controller

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

IX. Assistance To Be Provided By The City

- A. City Staff will be available during the audit to assist the auditor by providing information, documentation and explanations.
- B. City Staff will generate the necessary confirmation letters prepared by the Auditor.
- C. City will provide the auditor with reasonable workspace. Auditor will also be provided reasonable access to a telephone line, photocopier, and fax machine.
- D. City Staff will have a draft CAFR available when the auditor arrives for the final phase of work in the last full week of October.

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

In accordance with the Request for Proposal for Audit Services issued by City of Lafayette, the firm referenced below hereby submits the following cost proposal:

	Year Ended June 30th				
	2015	2016	2017	2018	2019
Basic Reports to Be Issued					
City Audit, including CAFR and Management Letter					
Gann Limit					
Lamorinda School Bus Transportation Agency Audit					
Lamorinda Fee and Finance Authority Audit					
Total					
<hr style="border-top: 3px double #000;"/>					
Additional Audit Reports To Be Requested At City Option					
Single Audit					
MTC					
State-Local Transportation Partnership Program					
Transient Occupancy Tax					
Measure J					
Annual Report of City Financial Transactions to State Controller					
Annual Street Report to the State Controller					
Total					
<hr style="border-top: 3px double #000;"/>					

Please include an hourly fee quotation and hours proposed for all positions to be assigned to the audit:

	Hours	Hourly Rate
Partners		
Managers		
Supervisory Staff		
Professional Staff		
Clerical/Support Staff		
Other		

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid, and if selected, authorized to sign a contract with the City, for the services identified in the Request for Proposals.

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A

****SAMPLE****
CITY OF LAFAYETTE
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as _____, 20____ by and between the City of Lafayette, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 3675 Mt Diablo Blvd #210, Lafayette, CA 94549 (“City”), and [***INSERT NAME***], a [***INSERT TYPE OF ENTITY - CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP OR OTHER LEGAL ENTITY***] with its principal place of business at [***INSERT ADDRESS***] (hereinafter referred to as “Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

(hereinafter referred to as “the Project”).

B. Consultant is duly licensed and has the necessary qualifications and experience to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$_____ **[Insert amount of compensation]**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder in accordance with Exhibit "C". The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, the City Council and each member of the City Council, its officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, the City Council and each member of the City Council, its officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form

coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iv) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(v) Neither the City nor the City Council, nor any member of the City Council, nor any of the officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

i. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the City), indemnify and hold the City, the City Council, members of the City Council, its employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, the City Council, members of the City Council, its employees, or authorized volunteers.

ii. Additional Indemnity Obligations. Consultant shall defend, with counsel of City's choosing and at Consultant's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against the City, the City Council, members of the City Council, its employees, or authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the City, the City Council, members of the City Council, its employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by the City, the City Council, members of the City Council, its employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for the City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the City, the City Council, members of the City Council, its employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, the City Council, members of the City Council, its employees, or authorized volunteers.

13. California Labor Code Requirements.

Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include

but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Contra Costa, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

18. Organization

Consultant shall assign _____ as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Lafayette

3675 Mt Diablo Blvd #210

Lafayette, CA 94549

Attn: [***INSERT NAME & DEPARTMENT***]

CONSULTANT:

[***INSERT NAME, ADDRESS & CONTACT PERSON***]

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations

without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF LAFAYETTE
AND [***INSERT NAME***]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF LAFAYETTE

[INSERT NAME OF CONSULTANT]

By: _____
[INSERT NAME]
[INSERT TITLE]

By: _____
Its: _____

ATTEST:

By: _____
City Clerk

EXHIBIT A

Scope of Services

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

EXHIBIT C

Activity Schedule