

# CITY OF STOCKTON



**REQUEST FOR PROPOSALS (RFP)  
TO PROVIDE MEASURE A AUDIT SERVICES  
FOR THE CITY OF STOCKTON, CALIFORNIA  
(PUR 15-026)**

**PROPOSALS WILL BE RECEIVED UNTIL THE HOUR OF  
2:00 O'CLOCK P.M., THURSDAY, ~~APRIL 7~~ MAY 19, 2016,  
IN THE OFFICE OF THE CITY CLERK,  
FIRST FLOOR, CITY HALL, 425 NORTH EL DORADO STREET,  
STOCKTON, CALIFORNIA 95202-1997**

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## NOTICE INVITING PROPOSALS

NOTICE IS HEREBY GIVEN that Request for Proposals (RFP) are invited by the City of Stockton, California for specifications to provide **MEASURE A AUDIT SERVICES (PUR 15-026)** in strict accordance with the specifications.

**Proposal forms and specifications are available on the City's web site at <http://www.stockton.gov/bidflash> and must be delivered to the Office of the City Clerk, City Hall, 425 North El Dorado Street, Stockton, up to but no later than, Thursday, APRIL 7 MAY 19, 2016, at 2:00 p.m.**

The City reserves the right to reject any and/or all proposals received.

### **Information on Technical Data**

Claire Tyson, Assistant CFO

(209) 937-8398

e-mail: [Claire.Tyson@stocktonca.gov](mailto:Claire.Tyson@stocktonca.gov)

### **Information on RFP Process/Clarification**

Concepcion Gayotin, Purchasing Agent

(209) 937-8712

e-mail: [Concepcion.Gayotin@stocktonca.gov](mailto:Concepcion.Gayotin@stocktonca.gov)

DISCLAIMER: The City does not assume any liability of responsibility for errors/omissions in any document transmitted electronically.

Dated: March 17, 2016

BONNIE PAIGE  
CITY CLERK OF THE CITY OF STOCKTON

**PROPONENT'S CHECKLIST**  
CITY OF STOCKTON / PURCHASING DIVISION

Did You:

- \*  Complete the following proposal documents (FROM THIS PACKET ONLY SUBMIT PAGES 17 to 19 AND PLACE IN THE FRONT OF YOUR PROPOSAL):
  - \*  Sign and notarize by jurat certificate the "Non-Collusion Affidavit" form. An "All-Purpose Acknowledgment" form will not be sufficient.
  - \*  Complete and sign the "Proponent's Fee Schedule" form, (under separate cover).
  - \*  Sign the "Proponent's Agreement" form. **Include (with proposal) name and e-mail address for City contact, if different from signatory.**
  - \*  Include your proposal, as outlined in these specifications.
  - \*  Submit one (1) ORIGINAL (unbound, no staples) and FIVE (5) COPIES of all proposal documents. Additionally, submit one (1) CD with an electronic version of the proposal.
- \*  Review all clarifications/questions/answers on the City's website at <http://www.stocktonca.gov/bidflash> .
- \*  Comply with Affirmative Action and Equal Employment Opportunity guidelines
- \*  Deliver sealed proposal to City Hall, City Clerk's Office (1st floor), 425 North El Dorado Street, Stockton, CA 95202, before **Thursday, ~~APRIL 7~~ MAY 19, 2016, at 2:00 p.m.** Sealed proposal shall be marked "Proposal" and indicate project name, number, and proposal opening date (in the same format below). **Please note that some overnight delivery services do not deliver directly to the City Clerk's Office. This could result in the proposal arriving in the City Clerk's Office after the proposal opening deadline and therefore not being accepted.**
  - A) RFP – TO PROVIDE MEASURE A AUDIT SERVICES
  - B) PUR 15-026
  - C) ~~APRIL 7~~ MAY 19, 2016

**CONTACT INFORMATION:**

Information on Technical Data	Information on RFP Process/Clarification
Claire Tyson, Assistant CFO (209) 937-8398 e-mail: <a href="mailto:Claire.Tyson@stocktonca.gov">Claire.Tyson@stocktonca.gov</a>	Concepcion Gayotin, Purchasing Agent (209) 937-8712 e-mail: <a href="mailto:Concepcion.Gayotin@stocktonca.gov">Concepcion.Gayotin@stocktonca.gov</a>

\*If not completed as required, your proposal may be rejected.

\*DISCLAIMER: The City does not assume any liability or responsibility for errors/omissions in any document transmitted electronically.

\*THIS FORM IS FOR YOUR INFORMATION ONLY AND DOES NOT NEED TO BE SUBMITTED WITH YOUR PROPOSAL

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**1.0 GENERAL INFORMATION**

**1.1 REQUEST FOR PROPOSAL (RFP) PROCESS**

The City of Stockton (City) is soliciting qualified firm(s) (Firm) with experience and interest to present their qualifications and capabilities to provide MEASURE A AUDIT SERVICES (PUR 15-026). The City desires to have an independent audit of Measures A and B. The City is simultaneously requesting services for Professional Auditing Services (PUR 15-032) to be performed by a separate firm. Firms may submit proposals in response both requests, but may not be awarded both contracts.

The evaluation process shall include review of qualifications by a panel of City staff, a representative of the Council Audit Committee and any other person(s) designated by the City. Oral interviews may be scheduled and the City may request further information and/or expansion on the qualifications of one or more Firms responding to this RFP.

**1.2 INVITATION TO SUBMIT A PROPOSAL**

Proposals shall be submitted no later than **2:00 p.m., on Thursday, APRIL 7 MAY 19, 2016**, in the office of:

CITY CLERK  
CITY OF STOCKTON  
425 NORTH EL DORADO STREET  
STOCKTON, CA 95202-1997

One (1) original and five (5) copies of the proposal shall be submitted. Additionally, submit one (1) CD with an electronic version of the proposal. The proposal should be firmly sealed in an envelope which shall be clearly marked on the outside, "**RFP – TO PROVIDE MEASURE A AUDIT SERVICES (PUR 15-026).**" Any proposal received after the due date and time indicated may not be accepted and may be rejected and returned, unopened, to the proponent.

Proponent may submit more than one proposal provided the proposal meets the functional requirements.

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**1.3 CONSEQUENCE OF SUBMISSION OF PROPOSAL**

- A. The City shall not be obligated to respond to any proposal submitted nor be legally bound in any manner by the submission of a proposal.
- B. Acceptance by the City of a proposal obligates the proponent to enter into an agreement with the City.
- C. An agreement shall not be binding or valid against the City unless or until it is executed by the City and the proponent.
- D. Statistical information contained in these documents is for informational purposes only. The City shall not be responsible for the accuracy of said data. City reserves the right to increase or decrease the project scope.

**1.4 ACCEPTANCE OR REJECTION OF PROPOSAL**

The City reserves the right to select the successful proposal and negotiate an agreement as to the scope of services, the schedule for performance and duration of the services with proponent(s) whose proposal(s) is/are most responsive to the needs of the City. Further, the City reserves the right to reject any and all proposals, or alternate proposals, or waive any informality or irregularity in the proposal as is in the City's best interest.

The City reserves the right to reject any and all proposals, or portions thereof, received in response to the Request or to negotiate separately with any source whatsoever, in any manner necessary, to serve the best interests of the City. Additionally, the City may, for any reason, decide not to award an agreement(s) as a result of this Request.

Non-acceptance of any proposal shall not imply that the proposal was deficient. Rather, non-acceptance of any proposal will mean that another proposal was deemed to be more advantageous to the City or that the City decided not to award an agreement as a result of this Request.

**1.5 RIGHT TO CHANGE OR AMEND REQUEST**

The City reserves the right to change the terms and conditions of this Request. The City will notify potential proponent(s) of any material changes by posting on the City's website. No one is authorized to amend any of the Request requirements in any respect, by an oral statement, or to make any representation or interpretation in conflict with its provisions. If necessary, supplementary information and/or clarifications/questions/answers will be posted on the City's website @ <http://www.stocktongov.com/bidflash> . Failure of any proponent to not

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have received such information and/or clarifications/questions/answers shall not relieve such proponent from any obligation under his/her proposal as submitted.

**Any exceptions to this Proposal shall be clearly stated in writing.**

**1.6 CANCELLATION**

The City reserves the right to rescind award of the contract at any time before execution of the contract by both parties if rescission is deemed to be in City's best interest. In no event shall City have any liability for the rescission of award. The proponent assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

**1.7 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 Request, that it is aware of the applicable facts pertaining to the Request process and its procedures and requirements, and that it has read and understands the Request. 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. Statistical information which may be contained in the Request or any addendum is for informational purposes only. The City disclaims any responsibility for this information which may subsequently be determined to be incomplete or inaccurate.

**1.8 ADDENDA AND INTERPRETATION**

The City will not be responsible for, nor be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives. Any request for clarifications/questions/answers of this Request shall be made in writing/e-mail and deliverable to:

CITY OF STOCKTON  
ATTN: CLAIRE TYSON  
ADMINISTRATIVE SVCS DEPT  
425 N. EL DORADO STREET  
STOCKTON, CA 95202-1997  
(209)937-8398  
[Claire.Tyson@stocktonca.gov](mailto:Claire.Tyson@stocktonca.gov) or

CITY OF STOCKTON  
ATTN: CONCEPCION GAYOTIN  
PURCHASING DIVISION  
425 N. EL DORADO STREET  
STOCKTON, CA 95202  
(209)937-8712  
[Concepcion.Gayotin@stocktonca.gov](mailto:Concepcion.Gayotin@stocktonca.gov)

Such request for clarifications/questions/answers shall be delivered to the City by March 24, 2016. Any City response to a request for clarifications/questions/answers will be posted on the City's website at <http://www.stocktongov.com/bidflash> by March 31, 2016, and will become a part

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of the Request. The proponent should await responses to inquires prior to submitting a proposal.

**1.9 DISQUALIFICATION**

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

- A. Evidence of collusion among proponents;
- B. Any attempt to improperly influence any member of the evaluation panel;
- C. Any attempt to communicate in any manner with a City of Stockton elected official, which includes any member of the City Council or members of any City commission, or during the RFP process will, and shall be, just cause for disqualification/rejection of proponent's proposal and considered non-responsive;
- D. A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- E. Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.

**1.10 PROPOSAL DEFECTS**

A proposal shall be prepared and submitted in accordance with the provisions of these Request instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from, or to a proposal may be sufficient grounds for rejection of the proposal. The City has the right to waive any defects in a proposal if the City chooses to do so. The City may not accept a proposal if any document or item necessary for the proper evaluation of the proposal is incomplete, improperly executed, indefinite, ambiguous, or missing.

**1.11 CONDITIONS TO BE ACCEPTED IF ANY WORK IS SUBCONTRACTED**

- A. The proponent assumes full responsibility, including insurance and bonding requirements, for the quality and quantity of all work performed.
- B. If proponent's supplier(s) and/or subcontractor's involvement requires the use of a licensed, patented, or proprietary process, the proponent of the process is responsible for assuring that the subcontractor, supplier, and/or operator have been properly authorized to use the process or for providing another process which is comparable to that which is required prior to submission of a proposal.

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**1.12 LICENSING REQUIREMENTS**

Any professional certifications or licenses that may be required will be the sole cost and responsibility of the Firm.

**A City of Stockton Business license may be required for this project. Please contact the City of Stockton Business License Division at (209) 937-8313.**

**1.13 INSURANCE REQUIREMENTS**

Proponent, at proponent's sole cost and expense and for the full term of the resultant agreement or any extension, shall obtain and maintain at least all of the insurance requirements listed in Exhibit A.

All policies, endorsements, and certificates shall be subject to approval by the Risk Manager of the City of Stockton as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. Proponent agrees to provide City with a copy of said policies, certificates, and/or endorsements.

**The proponent shall satisfy these insurance requirements concurrently with the signing of the contract prior to commencement of work. Please contact City of Stockton Risk Services Division at (209) 937-5037.**

The City of Stockton shall be named an additional insured by separate endorsement. Carrier shall provide notice to the City of any change in or limitation of coverage or of cancellation no less than 30 days prior to the effective date. Proof of worker's compensation coverage pursuant to California statutory requirements shall also be provided.

All coverage shall be provided by a carrier authorized to transact business in California and shall be primary.

**1.14 HOLD HARMLESS DEFENSE CLAUSE**

To the fullest extent permitted by law, Firm shall hold harmless, defend at its own expense, and indemnify the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions to act of contractor or its officers, agents, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages, or expenses arising from the City of

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Stockton's sole negligence or willful acts. The duty to defend and the duty to indemnify are separate and distinct obligations. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Firm from its obligation under this paragraph. The indemnification obligations of this section shall survive the termination of this agreement.

**1.15 APPLICABLE LAW**

This agreement shall be governed by the laws of the State of California. Venue shall be proper in the Superior Court of the State of California, County of San Joaquin, Stockton Branch, or, for actions brought in Federal Court, the United States District Court for the Eastern District of California, Sacramento Division.

**1.16 METHOD OF PAYMENT**

Payment will be made within thirty (30) days after invoices are received and accepted by the City Manager. Invoices are to be rendered monthly.

**1.17 NOTICE TO OUT-OF-STATE VENDOR**

It is the policy of the City of Stockton to pay all applicable California sales/use tax directly to the State Board of Equalization (BOE) pursuant to California Revenue and Taxation Code 7051.3. The City of Stockton will self-accrue all sales/use tax on purchases made from out-of-state vendors.

Sales and use tax on purchases made by the City of Stockton from all companies located outside California and whose products are shipped from out of state will be remitted to the BOE directly by the City under permit number **SR KHE 28-051174 DP**. **Please do not include sales/use tax on the invoice that you submit to the City of Stockton.**

Questions regarding the City of Stockton's payment of sales/use tax can be directed to the City of Stockton's Purchasing Division at (209) 937-8357.

**1.18 TERM**

The term of these audit services of Measure A are for three (3) years, with the option to renew annually for two (2) years.

**1.19 COMPETITIVE PRICING**

Proponent warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any similarly situated commercial or other government customer of proponent. If proponent enters into any arrangements with another customer of proponent to

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provide product under more favorable charges, economic or product terms or warranties, proponent shall immediately notify CITY of such change and this Contract shall be deemed amended to incorporate the most favorable charges, economic or product terms or warranties.

**1.20 FUNDING**

Any contract which results from this Request will terminate without penalty at the end of the fiscal year in the event funds are not appropriated for the next fiscal year. If funds are appropriated for a portion of the fiscal year, this contract will terminate without penalty, at the end of the term for which funds are appropriated.

**1.21 UNCONDITIONAL TERMINATION FOR CONVENIENCE**

The City may terminate the resultant agreement for convenience by providing sixty (30) calendar day advance notice unless otherwise stated in writing.

**1.22 AUDITING OF CHARGES AND SERVICES**

The City reserves the right to periodically audit all charges and services made by the successful proponent to the City for services provided under the contract. Upon request, the proponent agrees to furnish the City with necessary information and assistance.

**1.23 CONTRACT AMENDMENTS**

The City's Representative has the authority to review and recommend or reject contract amendments and cost proposals submitted by the proponent or as recommended by the proponent's project manager.

**1.24 PRODUCT OWNERSHIP**

Any documents, products or systems resulting from the contract will be the property of the City of Stockton.

**1.25 CONFIDENTIALITY**

If proponent believes that portions of a proposal constitute trade secrets or confidential commercial, financial, geological, or geophysical data, then the proponent must so specify by, at a minimum, stamping in bold red letters the term "**CONFIDENTIAL**" on that part of the proposal which the proponent believes to be protected from disclosure. The proponent must submit in writing specific detailed reasons, including any relevant legal authority, stating why the proponent believes the material to be confidential or a trade secret. Vague and general claims as to confidentiality will not be accepted. The City will be the sole

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judge as to whether a claim is general and/or vague in nature. All offers and parts of offers that are not marked as confidential may be automatically considered public information after the contract is awarded. **The proponent is hereby put on notice that the City may consider all or parts of the offer public information under applicable law even though marked confidential.**

**1.26 OTHER GOVERNMENTAL AGENCIES**

If mutually agreeable to all parties, the use of any resultant contract/purchase order may be extended to other political subdivisions, municipalities, or tax supported agencies.

Such participating governmental bodies shall make purchases in their own name, make payment directly to successful proponent and be liable directly to the successful proponent, holding the City of Stockton harmless.

**1.27 INDEPENDENT CONTRACTOR**

It is understood that Firm will not act hereunder in any manner as an employee of City, but solely under this Agreement as an independent Firm, and City shall not under any circumstances be liable to Firm or any person or persons acting for or under it, or to any person injured, for any deaths, injuries, or property damage received or claimed, unless any such liability arises by virtue of negligence by City, its officers, agents, or employees, and Firm agrees to defend and hold City free and harmless from liability therefore which is not due to any fault of City, its officers, agents, or employees.

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**2.0 SCOPE OF SERVICES**

Project tasks shall include, but are not limited to, the following. If the Firm feels that additional tasks are warranted, they must be clearly identified in the Firm's proposal.

- A. Read and document key compliance requirements of Measures A and B.
- B. Gain and document an understanding of the City of Stockton's internal control structure relating to Measure A financial transactions in the General Fund.
- C. Obtain Measure A's revenues and expenditures (Marshall Plan) for July 1, 2014 through June 30, 2015 (Fiscal Year 2014-2015) and two (2) subsequent fiscal years. As Measure A is a general Transaction and Use Tax, the revenues and expenditures are made part of the General Fund of the City. The Supplementary Display of Measures A and B Schedule of Sources and Uses as provided in the City's Comprehensive Annual Financial Report follows the Government Finance Officers Association best practices for additional supplementary information for departmental reports.
- D. Test Measure A cash receipts from the California State Board of Equalization (BOE) and trace receipts to BOE record to determine if Measure A revenues were collected in accordance with the tax measure.
- E. Select 25 – 50% of expenditures related to Measure B to determine the percentage of these expenditures that were spent on the Marshall Plan on Crime. Approved uses include:
  - 1. Rebuilding the Police Department
  - 2. Creating Office of Violence Prevention
  - 3. Implementing Neighborhood Blitz Team
  - 4. 120 new sworn public safety officers positions over an estimated 3-year period
  - 5. 43 civilian public safety positions over estimated 3 years
- F. The Firm may exercise two one-year options to continue to provide these audit services of Measure A transactions (Marshall Plan) in the General Fund.

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**2.1 PROJECT DELIVERABLES**

- A. The Firm will issue a report to the City Council and, upon request, shall appear before the City Council and/or the City's Audit Committee.
- B. The Firm will retain, at its own expense, all working papers and reports for a minimum of seven (7) years, unless the City notifies the Firm in writing of the need to extend the retention period. Upon request, the Firm will make working papers available to the City.
- C. Firm shall take all steps necessary to safeguard any data, files, reports or other information from loss, destruction or erasure. Any costs or expenses incurred or damages resulting from the loss of such data shall be the responsibility of the Firm when such loss or damage occurred due to Firm's negligence.

**2.2 PERFORMANCE STANDARDS**

- A. The engagement will be performed in accordance with Attestation Standards established by the American Institute of Certified Public Accountants (AICPA), generally accepted accounting principles (GAAP), and best practices of GFOA.
- B. The Firm shall certify that it is independent of the City of Stockton. The Firm shall meet independence requirements defined by generally accepted auditing standards applicable to financial audits as contained in Government Auditing Standards, issued by the United States Comptroller General, the United States Government Accounting Office's *Government Auditing Standards*, the American Institute of Certified Public Accountants (AICPA), and the California Society of Certified Accountants (CalCPA).

**2.3 ADDITIONAL REQUIREMENTS/RESPONSIBILITIES**

- A. The City staff will provide all relevant information and data regarding Measure A revenues and Marshall Plan operating and capital expenditures in a timely manner.
- B. The Firm shall, as a condition of payment, guarantee it will not request additional fees from the City, regardless of its actual time or other expenses incurred for the engagement.

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**2.4 SUBMISSION REQUIREMENTS**

Proposals (submittals) shall include, at a minimum, the following:

- A. Executive Summary (1 page)
  - 1. Contact name with telephone number, address and email address
  - 2. Overview of the firm: how long has the firm been in business, size of the firm, the average number of clients within the firms' portfolio, the type(s) of clients within the firm's portfolio and firm's primary areas(s) of expertise
  - 3. The letter should be signed by an officer of the firm authorized to bind the firm to all comments made in the response, and shall include the name, address, phone number and e-mail address of the person(s) to contact who will be authorized to represent your firm.
  
- B. Qualifications (1-5 pages)
  - 1. Describe the firm's experience in conducting internal audit services
  - 2. Qualifications and experience of the Firm's individual proposed to provide Measure A audit services and other key personnel (two to five) who will in fact be assigned to the contract (identify each by their proposed role and include for each their name and up-to-date, pertinent resume).
  - 3. Provide examples of successful projects completed by the lead for other municipal clients
  
- C. Client References (1-3 pages)
  - 1. Five client references for similar projects in size and scope successfully completed by the proposing firm or individual within the last five years.
  - 2. Briefly describe each project and for each reference provide up-to-date individual contact name with e-mail and phone number.
  - 3. Also provide an explanation of the relevant internal audits (minimum three, including one risk assessment or internal control audit) that you or your firm has previously conducted for other public agencies.
  - 4. The City may also consider other sources of pertinent past performance information including the City's own experience with the Firm in the last three years.

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TO PROVIDE MEASURE A AUDIT SERVICES  
(PUR 15-026)**

- D. Approach (2-3 pages)
1. A descriptive narrative of your proposed approach and timeline to successfully complete the citywide risk assessment and internal control audit.
  2. A descriptive narrative of your proposed approach to providing internal audit services for the City.
  3. Partnership strength: A specific description or list of the exceptional, value-added features or capabilities beneficial to the City that you propose to bring to your performance of the project. How will your firm assist in effectuating improvements in the City organizations?
- E. Capacity and Stability of Firm (1 page)
1. Provide an overview of organizational structure, ownership, configuration, and capitalization of your firm
  2. Provide background information including your firm's location, hours of office, length of time in business, and number of full time personnel
  3. Provide a full and detailed presentation of the true condition of the firm's assets, liabilities and net worth. The report should include a balance sheet and income statement. If the firm is a new partnership or joint venture, individual financial statements must be submitted for each general partner or joint venture thereof. If firm is a publicly held corporation, the most current annual report should be submitted.
- F. Cost Proposal (1-2 pages)
1. Provide fee structure on a page entitled "Proponent's Fee Schedule" under separate cover; signature required. Note that this is a form provided in your own format.
  2. Cost proposal to accomplish the risk assessment and internal control audit
- G. Additional Materials
1. Completed Non-Collusion Affidavit
  2. Completed Proponent's Agreement
  3. Insurance certificates demonstrating compliance with requirements outlined in Exhibit A

**CITY OF STOCKTON  
REQUEST FOR PROPOSALS (RFP)  
TO PROVIDE MEASURE A AUDIT SERVICES  
(PUR 15-026)**

**3.0 PROPOSAL GUIDELINES, CONTENT AND FORMAT**

The City of Stockton uses a qualifications-based selection process in obtaining these services. The selection will be based on review of submittal materials and conformance to the guidelines included below.

- 3.0.1** The response must be submitted, typewritten on 8½" X 11" white paper and must be bound in a secure manner.
- 3.0.2** Material and data not specifically requested for consideration, but which the proponent wishes to submit must not appear with the Statement of Qualifications, but may appear only in an "Additional Data" section. This has specific reference to the following types of data:
1. Standard sales brochures and pictures;
  2. Promotional material with minimal technical content;
  3. Generalized narrative of supplementary information; and
  4. Supplementary graphic material.
- 3.0.3** All responses must be signed with the full name of the proponent, if an individual; by an authorized general partner, if a partnership; or by an authorized officer, if a corporation.
- 3.0.4** When responses are signed by an agent other than an officer of a corporation or a member of a general partnership, a power of attorney authorizing the signature must be submitted with the statement.
- 3.0.5** If the response is submitted by a partnership or joint venture, the Statement of Personal History attached to the response must be completed by each general partner or joint venture thereof. If the response is submitted by a corporation, the Statement must be completed by each principal officer of said corporation.
- 3.0.6** The original response must have wet ink signatures. Modification to a response after the submittal deadline will not be accepted by the City.
- 3.0.7** Please submit one (1) original and FIVE (5) copies of your response. Additionally, submit one (1) CD with an electronic version of the response. One of the copies should be unbound to allow us to reproduce your response, as needed.

**CITY OF STOCKTON  
REQUEST FOR PROPOSALS (RFP)  
TO PROVIDE MEASURE A AUDIT SERVICES  
(PUR 15-026)**

**3.1 EVALUATION PROCEDURE AND CRITERIA**

Proposals (submittals) will be scored and ranked by a Selection Committee based on an overall assessment of “best value” to the City. The Evaluation Committee may, in its discretion, request oral presentations/interviews with all proposing firms/individuals or with the highest ranked firms/individuals only, and/or may request the presentation of revised proposals from the highest ranked firms/individuals (“short-list”), followed by an evaluation and ranking of the revised proposals.

The City reserves the right to proceed directly to negotiations with the highest ranked firm immediately following the initial presentation and evaluation of proposals.

Negotiations with the highest ranked firm/individual will result in a professional services contract with a detailed scope of work in the best interests of the City. See the “Pro Forma” contract included as Attachment 1. If the City is unable to negotiate a satisfactory contract with the highest ranked firm/individual, the next highest ranked firm/individual will be contacted for contract negotiation. This method will continue until a contract is successfully negotiated or until all proposals are rejected, in the best interests of the City.

**3.2 PROPOSED DEVELOPMENT COSTS**

The cost of preparing and submitting a response is the sole responsibility of the proponent and shall not be chargeable in any manner to the City of Stockton.

**3.3 PROPONENT CONTACT**

Proponent shall provide the name, address, e-mail address and telephone number of an individual in their organization to whom notices and inquiries by the City should be directed as part of this Request.

**3.4 CITY’S USE OF MATERIAL**

All material submitted in or with the response shall become the property of the City, unless it is clearly marked as proprietary information. The City reserves the right to use any ideas presented in the responses, without compensation paid to the Firm. Selection or rejection of the response shall not affect this right.

**3.5 REJECTION OF RESPONSE**

The City reserves the right to reject any and all responses submitted and to request additional information from the Proponent. The award will be made to the firm(s) which, in the opinion of the City, is best qualified.

# PROPOSAL DOCUMENTS

- A) RFP – TO PROVIDE MEASURE A AUDIT SERVICES
- B) PUR 15-026
- C) ~~APRIL 7~~ **MAY 19, 2016**

COMPANY NAME: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

EMAIL: \_\_\_\_\_

**REQUEST FOR PROPOSALS (RFP)  
TO PROVIDE MEASURE A AUDIT SERVICES  
FOR THE CITY OF STOCKTON, CALIFORNIA  
(PUR 15-026)**

**PROPONENT'S AGREEMENT**

In submitting this proposal, as herein described, the proponent agrees that:

1. They have carefully examined the Scope of Work and all other provisions of this document and understand the meaning, intent and requirements of same.
2. They will enter into contract negotiations and furnish the services specified.
3. They have signed and notarized the attached Non-Collusion Affidavit form, whether individual, corporate or partnership. Must be 'A Jurat' notarization.
4. They have reviewed all clarifications/questions/answers on the City's website at <http://www.stocktongov.com/services/bidflash>.
5. Confidentiality: Successful Proponent hereby acknowledges that information provided by the City of Stockton is personal and confidential and shall not be used for any purpose other than the original intent outlined in the Request for Proposal. Breach of confidentiality shall be just cause for immediate termination of contract agreement.

\_\_\_\_\_  
FIRM

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
SIGNED BY

\_\_\_\_\_  
TITLE OR AGENCY

\_\_\_\_\_  
TELEPHONE NO./FAX NO.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
E-MAIL ADDRESS

**NON-COLLUSION AFFIDAVIT  
FOR INDIVIDUAL PROPONENT**

**No. 1**

**STATE OF CALIFORNIA,** \_\_\_\_\_ )ss.  
**County of** \_\_\_\_\_ )  
(insert)

\_\_\_\_\_ being first duly sworn, deposes and says: That on behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

\_\_\_\_\_  
(Signature Individual Bidder)

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_

Signature \_\_\_\_\_

**No. 2 AFFIDAVIT FOR CORPORATION PROPONENT**

**STATE OF CALIFORNIA,** \_\_\_\_\_ )ss.  
**County of** \_\_\_\_\_ )  
(insert)

\_\_\_\_\_ being first duly sworn, deposes and says: That they are the \_\_\_\_\_ of \_\_\_\_\_ a corporation, which corporation is the party making the foregoing bid, that such bid is genuine and not sham or collusive, or made in the interest or behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation to put in a sham bid, or that such other person, firm or corporation shall or should refrain from bidding; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

\_\_\_\_\_  
(Signature Corporation Bidder)

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_

Signature \_\_\_\_\_

**No. 3 AFFIDAVIT FOR FIRM, ASSOCIATION, OR CO-PARTNERSHIP**

**STATE OF CALIFORNIA,** \_\_\_\_\_ )ss.  
**County of** \_\_\_\_\_ )  
(insert)

\_\_\_\_\_,  
each being first duly sworn, depose and say: That they are a member of the firm, association or co-partnership,  
designated as \_\_\_\_\_ who is the party making the foregoing bid; that the other partner, or partners, are \_\_\_\_\_ that such bid is genuine and not sham or collusive, or made in the interest or behalf of any person not named herein; that said Bidder has not colluded, conspired, connived or agreed, directly or indirectly with, or induced or solicited any other bid or person, firm or corporation shall or should refrain from proposing; and has not in any manner sought by collusion to secure to themselves any advantage over or against the City, or any person interested in said improvement, or over any other Bidder.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_

Signature \_\_\_\_\_

## EXHIBIT 'A' – INSURANCE REQUIREMENTS

### Insurance Requirements for Professional Services

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

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Firm has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. ***(Not required if Firm provides written verification it has no employees)***
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Firm's profession, with limit no less than **\$1,000,000** per occurrence or claim, \$1,000,000 aggregate. (If Claims-made, see below.)

If the Firm maintains higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to coverage for the higher limits maintained by the Firm. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

#### Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### Additional Insured Status

**The City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are to be covered as additional insureds** on the CGL policy and AL policy with respect to liability arising out of work or operations performed by or on behalf of the Firm including materials, parts, or equipment furnished in

connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Firm's insurance (**at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used**).

### **Primary Coverage**

For any claims related to this contract, the **Firm's insurance coverage shall be primary** insurance as respects the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers shall be excess of the Firm's insurance and shall not contribute with it. The City of Stockton does not accept primary endorsements limiting the Firm's insurance coverage to sole negligence.

### **Notice of Cancellation**

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the City of Stockton.**

### **Waiver of Subrogation**

Firm hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Firm may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Firm agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City of Stockton Risk Services. The City of Stockton may require the Firm to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted to do business in the State of California; if not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best's rating of no less than A+:X.

### **Claims Made Policies**

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. If Claims Made policy form is used, a three (3) year discovery and reporting tail period of coverage is required after completion of work.

**Verification of Coverage**

Firm shall furnish the City of Stockton with original certificates and amendatory endorsements required by this clause. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the Firm's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time, for any reason or no reason.

Firm shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its Declarations Page and Endorsement Page for each of the required policies.

**Certificate Holder Address**

Proper address for mailing certificates, endorsements and notices shall be:

- City of Stockton
- Attention: Risk Services
- 425 N El Dorado Street
- Stockton, CA 95202

City of Stockton Risk Services Phone: 209-937-5037

City of Stockton Risk Services Fax: 209-937-8558

**Maintenance of Insurance**

If at any time during the life of the Contract or any extension, the Firm fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

**Subcontractors**

Firm shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Firm shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

**Special Risks or Circumstances**

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## ATTACHMENT 1 –SAMPLE CONTRACT

### PROFESSIONAL SERVICES AGREEMENT

**THIS AGREEMENT** is entered into this \_\_\_\_ day of \_\_\_\_\_ 2015, between the CITY OF STOCKTON, a municipal corporation (“City”), and \_\_\_\_\_, a [*insert type of business entity here, e.g. corporation, sole proprietorship etc.*] whose address is \_\_\_\_\_, and telephone number is \_\_\_\_\_, (“Firm”).

#### RECITALS

A. Firm is qualified to and experienced in providing performance and internal audit services for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Firm for the purposes provided in this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions in this Agreement, City and Firm agree as follows:

1. **Firm’s Services.** Subject to the terms and conditions set forth in this Agreement, Firm shall provide to City the services described in Exhibit A. Firm shall provide said services at that time, place and in the manner specified in Exhibit A.

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A, Firm shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Firm only the facilities and equipment listed in Exhibit A according to the terms and conditions set forth in Exhibit A.

3. **Term.** This Agreement shall commence on the date written above and shall expire in three (3) years, with the option to renew annually for two (2) years. The City may terminate these services at any time with a 30-day notice.

4. **Compensation.** City shall pay Firm for services rendered pursuant to this Agreement as described more particularly in Exhibit A. The payments shall be made on a monthly basis upon receipt and approval of Firm’s invoice. Total compensation for services and reimbursement for costs shall not exceed \$\_\_\_\_\_.

a. Invoices submitted by Firm to City must contain a brief description of work performed, time used and City reference number. Payment shall be made within thirty (30) days of receipt of Firm’s invoice and approved by City.

b. Upon completion of work and acceptance by City, Firm shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Firm fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

c. **Overhead and Expenses.** The Contractor's compensation for services set forth in Section 3a above includes overhead and expenses and no separate claims for reimbursement of overhead or expenses will be allowed under this Agreement.

5. **Sufficiency of Firm's Work.** All reports, drawings, designs, plan review comments and work product of Firm shall be adequate and sufficient to meet the purposes for which they are prepared.

6. **Ownership of Work.** All reports, drawings, designs, plan review comments, work product, and all other documents completed or partially completed by Firm in the performance of this Agreement shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Firm agrees to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Firm shall replace them at its own expense. Firm shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

7. **Changes.** City may request changes in the scope of services to be provided by Firm. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. **Firm's Status.** In performing the obligations set forth in this Agreement, Firm shall have the status of an independent contractor and Firm shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Firm are its agents and employees and are not agents or employees of City.

a. City reserves the right to require the Firm or an employee of the Firm that will be authorized to exercise the powers and duties assigned to provide services to submit to an extensive background investigation. Failure to pass the background will result in removal from the position.

d. The individual authorized to exercise the powers and duties assigned to the Auditor, if any, may delegate functions to qualified staff or subcontractors, subject to City consent under Section 10 hereof, to help carry out the

Contractor's responsibilities under this Agreement in a cost-effective manner, PROVIDED, HOWEVER, that all staff or subcontractors shall work at the specific direction of and subject to review and approval by the Auditor.

e. The individual authorized to exercise the powers and duties assigned to the Auditor will report to the City Council Audit Committee.

9. **Termination for Convenience of City.** The City may terminate this Agreement at any time by mailing a notice in writing to Firm 30 days prior to termination. The Agreement shall then be deemed terminated, and no further work shall be performed by Firm. If the Agreement is so terminated, the Firm shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. **Non-Assignability.** The Firm shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Firm shall be solely responsible for reimbursing subcontractors.

11. **Indemnity and Hold Harmless.** To the fullest extent permitted by law, Firm shall hold harmless, defend at its own expense, and indemnify the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions to act of contractor or its officers, agents, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages, or expenses arising from the City of Stockton's sole negligence or willful acts. The duty to defend and the duty to indemnify are separate and distinct obligations. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Firm from its obligation under this paragraph. The indemnification obligations of this section shall survive the termination of this agreement.

12. **Insurance.** During the term of this Agreement, Firm shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B and shall otherwise comply with the other provisions of Exhibit B.

13. **Notices.** All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

To Firm:

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

\_\_\_\_\_  
To City: City Manager  
City of Stockton  
425 N. El Dorado Street  
Stockton, CA 95202

14. **Conformance to Applicable Laws.** Firm shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Firm shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. **Licenses, Certifications and Permits.** Prior to the City's execution of this Agreement and prior to the Firm's engaging in any operation or activity set forth in this Agreement, Firm shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Firm covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. **Records and Audits.** Firm shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. **Confidentiality.** Firm shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

18. **Conflicts of Interest.** Firm covenants that other than this Agreement, Firm has no financial interest with any official, employee or other representative of the City. Firm and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Firm's services under this Agreement. If such an interest arises, Firm will immediately notify the City.

In addition, in the role of Auditor, the Firm shall be free from personal, external, and organizational impairments to independence and will maintain an independent attitude and appearance with respect to the work performed for the City.

19. **Waiver.** In the event either City or Firm at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the federal District Court of California, Northern District, Sacramento Division.

21. **No Personal Liability.** No official or employee of City shall be personally liable to Firm in the event of any default or breach by the City or for any amount due Firm.

22. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

**THIS AGREEMENT** executed the date and year first above written.

**CITY OF STOCKTON**

**FIRM**

\_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Signature

ATTEST:

\_\_\_\_\_  
Print name

\_\_\_\_\_  
*City Clerk*

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

APPROVED AS TO FORM:

*[If Firm is a corporation  
signature(s) must comply with  
Corporations Code §313.]*

\_\_\_\_\_  
City Attorney

EXHIBIT A

**Scope of Services**

EXHIBIT B

**Insurance Requirements for Professional Services**

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

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

5. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
6. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Firm has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
7. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. ***(Not required if Firm provides written verification it has no employees)***
8. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Firm’s profession, with limit no less than **\$1,000,000** per occurrence or claim, \$1,000,000 aggregate. (If Claims-made, see below.)

If the Firm maintains higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to coverage for the higher limits maintained by the Firm. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

**Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

**Additional Insured Status**

**The City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are to be covered as additional insureds on the CGL**

policy and AL policy with respect to liability arising out of work or operations performed by or on behalf of the Firm including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Firm's insurance (**at least as broad as** ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

### **Primary Coverage**

For any claims related to this contract, the **Firm's insurance coverage shall be primary** insurance as respects the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers shall be excess of the Firm's insurance and shall not contribute with it. The City of Stockton does not accept primary endorsements limiting the Firm's insurance coverage to sole negligence.

### **Notice of Cancellation**

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the City of Stockton.**

### **Waiver of Subrogation**

Firm hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Firm may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Firm agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City of Stockton Risk Services. The City of Stockton may require the Firm to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted to do business in the State of California; if not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best's rating of no less than A+:X.

### **Claims Made Policies**

If any of the required policies provide coverage on a claims-made basis:

3. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
4. If Claims Made policy form is used, a three (3) year discovery and reporting tail period of coverage is required after completion of work.

**Verification of Coverage**

Firm shall furnish the City of Stockton with original certificates and amendatory endorsements required by this clause. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the Firm's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time, for any reason or no reason.

Firm shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its Declarations Page and Endorsement Page for each of the required policies.

**Certificate Holder Address**

Proper address for mailing certificates, endorsements and notices shall be:

- City of Stockton
- Attention: Risk Services
- 425 N El Dorado Street
- Stockton, CA 95202

City of Stockton Risk Services Phone: 209-937-5037

City of Stockton Risk Services Fax: 209-937-8558

**Maintenance of Insurance**

If at any time during the life of the Contract or any extension, the Firm fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

**Subcontractors**

Firm shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Firm shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

**Special Risks or Circumstances**

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.