

CITY OF CLOVIS
REQUEST FOR PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES



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**CITY OF CLOVIS
REQUEST FOR PROPOSALS
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**CITY OF CLOVIS
REQUEST FOR PROPOSALS**

I. INTRODUCTION

A. General information

The City of Clovis is requesting proposals from qualified certified public accountant firms to audit its financial statements for the three (3) fiscal years beginning with the fiscal year ending June 30, 2020, with the City's option of extending the contract for two (2) subsequent fiscal years, in addition to performing other financial audits and reviews as specified below.

These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements of Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

There is no expressed or implied obligation for the City of Clovis 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 seq.), unless exempt.

During the evaluation process, the Audit Committee and the City of Clovis reserve the right, where it may serve the City of Clovis' best interest, to request additional information or clarifications from proposers or to allow corrections of errors or omissions. At the discretion of the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Clovis reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Clovis and the firm selected.

It is anticipated that the selection of a firm will be completed and approved by the City Council no later than April 13, 2020. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal and to accept or reject any items or combination of items.

II. NATURE OF SERVICES REQUIRED

A. Scope of work to be performed

The City of Clovis desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The audit shall include an examination of all funds of the City of Clovis 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.

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

1. The audit firm will perform an audit of all funds of the City of Clovis. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller of the United States. The audit firm will render their auditor's report on the basic financial statements which will include the Government-Wide Financial Statements and Major Fund Financial Statements and will include the Combining and Individual Non-Major Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the City. The audit firm will render their auditor's report on compliance and on internal control over financial statement based on the audit of the financial statements.
2. The audit firm will perform a single audit on the expenditures of federal awards in accordance with Uniform Guidance and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses and follow up on prior audit findings where required.
3. The audit firm shall perform agreed upon auditing procedures pertaining to the City's GANN Limit (California Constitution Article XIIB Appropriations Limit) and render a letter annually to the City regarding compliance.

4. The audit firm shall issue letters required by the Statement on Auditing Standards 114 and 115 (AU sections 380 and 325, respectively) and any future required standards that includes identification of the most sensitive disclosures affecting the financial statements and recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.
5. A report on local transportation purpose funds with regards to compliance with Government Accounting Standards, Uniform Guidance, Fresno County Transportation Authority and California PUC 142257 as it applies to Local Transportation Funds.

B. Auditing standards to be followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accounts
2. The standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States
3. The provisions of the Single Audit
4. The provisions of the Uniform Guidance

C. Irregularities and illegal acts

Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: City Manager; City Attorney; and the Finance Director.

D. Reporting to the audit committee

Auditors shall assure themselves that the City of Clovis Audit Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates

4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special considerations

1. The City of Clovis will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is expected that the auditor will be required to have completed their audit work in sufficient time to allow the City to prepare the CAFR to meet the requirements of that program and to present the CAFR to the City Council by the second Monday of December following the end of the fiscal year under audit.
2. During the audit contract, the City of Clovis may prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
3. The City of Clovis has determined that the U.S. Department of Transportation will function as the oversight agency in accordance with the provisions of the Uniform Guidance.
4. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance, are to be issued as part of the comprehensive annual financial report.
5. The Appropriations Limit Schedule and related auditor's report relating to the Compliance with Article XIII-B are to be issued as part of the comprehensive annual financial report.
6. The auditor's report relating to the compliance with the Local Transportation Purpose Funds is to be issued as part of the comprehensive annual financial report.

F. Working paper retention and access to working papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of Clovis 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 Clovis
- U.S. Department of Housing and Urban Development
- U.S. General Accounting Office (GAO)
- State of California, State Controller
- State of California, Department of Finance
- County of Fresno, Auditor/Controller
- Parties designated by the federal or state governments or by the City of Clovis as part of an audit quality review process
- Auditors of entities of which the City of Clovis is a sub-recipient of grant funds

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

III. DESCRIPTION OF THE GOVERNMENT

A. Name of contact person

The auditor's principal contact with the City of Clovis will be Gina Daniels, Assistant Finance Director, or a designated representative, who will coordinate the assistance to be provided by the City of Clovis to the auditor.

B. Background information

The City of Clovis serves an area of 25.5 square miles with a population of 117,000. The City of Clovis' fiscal year begins on July 1 and ends on June 30.

The City of Clovis provides the following services to its residents:

Police, Fire Protection, Street Maintenance, Water, Refuse, Sewer, Parks, Senior Services, Public Transportation, Recreation, Capital Improvements and Community Development.

The City of Clovis has a total payroll, including benefits, of \$79 million covering 677 full and part time employees.

The City of Clovis is organized into twelve departments and agencies. The accounting and financial reporting functions of the City of Clovis are centralized.

More detailed information on the government and its finances can be found at the following locations:

1. June 30, 2019, Comprehensive Annual Financial Report (CAFR) - [http://www.ci.clovis.ca.us/Government/Departments/Finance/Finance Documents/Financial Statement \(CAFR\)](http://www.ci.clovis.ca.us/Government/Departments/Finance/Finance Documents/Financial Statement (CAFR))
2. 2019-20 Annual Budget Summary - <http://www.ci.clovis.ca.us/Government/Departments/Finance/Finance Documents/Budget>
3. Organizational Chart – Page 9 of the City’s 2019 CAFR found on the website noted in item 1 above.

C. Fund structure

The City of Clovis uses the following fund types and account groups in its financial reporting:

<u>Fund type/account group</u>	<u>Number of City funds</u>	<u>Number with legally adopted annual budgets</u>
General fund	1	1
Special revenue funds	4	4
Debt service funds	1	1
Capital projects funds	2	2
Enterprise funds	4	0
Internal service funds	4	0
Fiduciary funds	7	0

D. Budgetary basis of accounting

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

E. Federal and State financial assistance

During the fiscal year ended June 30, 2019, the City of Clovis received federal awards totaling approximately \$1.7 million including four major awards.

F. Pension plans

The City of Clovis participates in the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administration agent for the participating public entities within the State of California.

G. Component units

The City of Clovis is defined, for financial reporting purposes, in conformity with Governmental Accounting Standards Board's Statement 14 "The Financial Reporting Entity", Statement 39 "Determining Whether Certain Organizations Are Component Units", and Statement 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34". Using these criteria, component units are included in the City of Clovis' financial statements.

The management of the City of Clovis has identified the following component units for inclusion in the City of Clovis' financial statements:

1. Clovis Successor Agency

The City became the Successor Agency to the former Community Redevelopment Agency. The Successor Agency is defined as a private-purpose trust fund and shall be part of the audit of the City's financial statements.

2. Clovis Public Financing Authority

A Joint Powers Authority of the City of Clovis and the Clovis Community Development Agency for the purpose of acting as a conduit for the issuance of Certificates of Participation, Lease Revenue Bonds and Revenue Bonds.

Currently there are no assets, liabilities, equity or activity for these entities. The financial records for these component units are maintained and located in the Finance Department at City Hall. These component units are to be audited as part of the audit of the City of Clovis' financial statements.

H. Internal audit function

The City of Clovis does not maintain an internal audit function.

I. Availability of prior audit reports and working papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Gina Daniels, Assistant Finance Director at (559) 324-2144; 1033 Fifth Street, Clovis, CA, 93612. The City of Clovis will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposals. However, prior auditor working papers will only be made available to the successful proposer.

IV. TIME REQUIREMENTS

A Proposal calendar

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

Request for proposals issued by City	Thursday, January 16 2020
Last day to submit questions to City	Friday, February 21, 2020
Proposals due from audit firms	Friday, February 28, 2020

B. Notification date – selected firm notified Friday, April 17, 2020

C. Schedule for the 2020 Fiscal Year Audit (a more comprehensive schedule will be developed for audits of future fiscal years if the City of Clovis exercises its option for additional audits.)

1. Interim work

Interim work may begin upon selection of auditor by the Audit Committee and confirmation received by the City Council, preferably no earlier than May 19, 2020.

2. Year-end field work

City staff shall provide an adjusted trial balance and all supporting schedules to auditor no later than October 16, 2020.

Auditor shall complete all field work and adjustments by November 1, 2020.

D. Final report due date

The Finance Department shall prepare financial statements, notes and all required supplementary schedules [and statistical data] by November 6, 2020. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Finance Director by November 13, 2020.

The Auditors will complete the review of the report as expeditiously as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed reports shall be delivered to the Finance Director by November 13, 2020. This process will be completed and the final CAFR delivered to the printer on November 19, 2020 and to the Council on December 4, 2020 for the Council meeting of December 14, 2020.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance department and clerical assistance

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

B. Electronic data processing (EDP) assistance

EDP personnel will be available to provide systems documentation and explanations. The auditor will be provided computer time and the use of the City of Clovis' computer hardware and software, for the limited use of testing, verifying, reports and inquiry functions. All computer time must be scheduled in advance. Internet access will be provided to the auditors while on site.

C. Report preparation

Preparation, editing and printing of the Financial Statements (CAFR) shall be the responsibility of the City. Review and editing of the draft CAFR shall be the responsibility of the auditor.

D. Work area, telephone, internet access and office equipment

The City will provide the auditor with reasonable work space and access to a telephone line, internet access and photocopying and fax machines.

VI. GENERAL INFORMATION FOR RESPONDING TO THIS RFP

A. By Friday, February 28, 2020 at 5:00pm, five (5) hard copies and one electronic copy (PDF) of the proposal shall be delivered to:

Gina Daniels, Assistant Finance Director
1033 Fifth Street Clovis, CA 93612
(559) 324-2144
ginad@cityofclovis.com

No fax proposals will be accepted. Proposals received after Friday, February 28, 2020 at 5:00pm 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 nature of services required as described in section II. 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 Appendix A). The cost of such insurance shall be included in the consultant's proposal.
- D. The City of Clovis 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.

VII. 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, 2020. 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 personnel 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 and 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.

City staff would like to conduct interim fieldwork in late spring/early summer with the final phase of fieldwork taking place in mid-October. Historically, interim field work has taken approximately one week to complete, whereas final field work has taken approximately two weeks to complete and would include any proposed audit adjustments from fieldwork. Staff expects draft copies of all audit reports to be delivered in mid-November, well in advance of the submittal deadlines for GFOA.

- I. 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

- J. Provide fee information on the Schedule of Professional Fees and Expenses for the completion of the projects described in the Nature of Services Required. 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.

- K. Manner of payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than one calendar month. Ten percent (10%) of the contract will be withheld from the final billing pending delivery of the firm's final reports.

VIII. EVALUATION PROCEDURES

- A. Audit committee

A five member committee will be involved in the proposal review process and interviews. The committee will consider a variety of factors in recommending the selected firm to the City Council as itemized in the next section.

- B. Evaluation criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represents the principal selection criteria which will be considered during the evaluation process.

1. Mandatory elements

- a. The audit firm is independent and licensed to practice in California
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years

- c. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Clovis
 - d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work
 - e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal
2. Technical qualifications
- a. Expertise and experience
 - (1) The firm's past experience and performance on comparable government engagements
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
 - b. Audit approach
 - (1) Adequacy of proposed staffing plan for various segments of the engagement
 - (2) Adequacy of sampling techniques
 - (3) Adequacy of analytical procedures
 - (4) Adequacy of audit plan
 - (5) Adequacy of audit plan for EDP function

3. Price

C. Oral presentations

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

D. Final selection

The selection of the audit firm will be made by the Audit Committee, with ratification by the City Council.

E. Right to reject proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Clovis and the firm selected.

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.

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

APPENDIX A

PROPOSER GUARANTEES AND WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in section II, Nature of Services Required.
- B. Proposer warrants that it is willing and able to comply with State of California laws with respect to foreign (non-State of California) corporations.
- C. Proposer warrants that it shall indemnify, defend, and hold harmless the City of Clovis and its officers, officials, employees and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigations) of every nature arising out of or in connection with proposer's work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damages which was caused by the sole negligence or willful misconduct of the City.

D. INSURANCE REQUIREMENTS

The proposal must include the name of the proposer's insurance carrier, the policy coverages and limits, and expiration dates.

Prior to commencement of the Services, the successful proposer shall take out and maintain, at its own expense, and shall cause any subcontractor with whom Consultant contracts for the performance of Services to take out and maintain, the following insurance until completion of the Services or termination of the Agreement, whichever is earlier, except as otherwise required by the "Maintenance of Insurance" section below. All insurance shall be placed with insurance companies that are licensed and admitted to conduct business in the State of California and are rated at a minimum with an "A:VII" by A.M. Best Company, unless otherwise acceptable to the City.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. Professional Liability Insurance (Errors and Omissions) in an amount not less than \$2,000,000.00 per occurrence or claim, \$2,000,000 aggregate. Said insurance shall be maintained at all times during Consultant's performance of Services, and for a period of five years following completion of Consultant's Services.
2. General Liability Insurance (including operations, products and completed operations coverages) in an amount not less than \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

3. Worker's Compensation Insurance as required by the State of California.
4. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per accident for bodily injury and property damage.
5. Employee Dishonesty. \$1,000,000 to include comprehensive employee dishonesty, disappearance, theft, and forgery or alteration coverage.
6. Umbrella or Excess Liability. In the event Consultant purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the City, its officers, officials, employees, agents and volunteers.

Other Insurance Provisions

The general liability policy is to contain, or be endorsed to contain the following provisions:

1. The City, its officers, officials, employees, agents, and volunteers are to be covered as insured's with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and with respect to liability arising out of work or operations performed by or on behalf of the Consultant 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 Consultant's insurance (at least as broad as ISO Form 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33 or CG 20 38; and CG 20 37 forms if later revisions used).
2. For any claims related to the Services performed pursuant to this Agreement, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this section shall be endorsed to state that the City shall receive written notice at least thirty (30) days prior to the cancellation, non-renewal, or material modification of the coverages required herein.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

5. Consultant grants to the City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant 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 has received a waiver of subrogation endorsement from the insurer.
6. Any deductibles or self-insured retentions must be declared to and approved by the City of Clovis Risk Services. The City may require the Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Evidence of Coverage

Consultant shall deliver to City written evidence of the above insurance coverages, including the required endorsements prior to commencing Services under this Agreement; and the production of such written evidence shall be an express condition precedent, notwithstanding anything to the contrary in this Agreement, to Consultant's right to be paid any compensation under this Agreement. City's failure, at any time, to object to Consultant's failure to provide the specified insurance or written evidence thereof (either as to the type or amount of such insurance), shall not be deemed a waiver of City's right to insist upon such insurance later.

All insurance documents are to be sent to:

City of Clovis
Attention: Lori Shively, Personnel/Risk Manager
Personnel/Risk Management
1033 Fifth Street
Clovis, CA 93612

Maintenance of Insurance

If Consultant fails to furnish and maintain the insurance required by this section, City may (but is not required to) purchase such insurance on behalf of Consultant, and the Consultant shall pay the cost thereof to City upon demand, and City shall furnish Consultant with any information needed to obtain such insurance. Moreover, at its discretion, City may pay for such insurance with funds otherwise due Consultant under this Agreement.

Consultant shall maintain all of the foregoing insurance coverages during the term of this Agreement, except as to (a) the products and completed operations coverage under the General Liability Insurance which shall also be maintained for a period of ten (10) years following completion of the Services by Consultant or termination of this Agreement, whichever is earlier; and (b) Professional Liability Insurance, which shall be maintained for a period of five (5) years following completion of the Services by Consultant or termination of this Agreement, whichever is earlier.

1. Subcontractors. If the Consultant should subcontract all or any portion of the work to be performed in this Agreement, the Consultant shall cover the subcontractor, and/or require each subcontractor to adhere to all the requirements contained herein. Similarly, any cancellation, lapse, reduction or change of subcontractor's insurance shall have the same impact as described above.
2. Special Risks or Circumstances. The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
3. Indemnity and Defense. Except as otherwise expressly provided, the insurance requirements in this section shall not in any way limit, in either scope or amount, the indemnity and defense obligations separately owed by Consultant to City under this Agreement.

E. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Clovis.

F. Proposer warrants that all information provided by it in connection with this proposal is true and correct.

Signature of Official: _____

Name: (typed) _____

Title: _____

Firm: _____

Email: _____

Date: _____

APPENDIX B

Comprehensive All-Inclusive
Schedule of Professional Fees and Expenses
 for the Audit of the 2020 Financial Statements
 of the City of Clovis and All Component Units

	Hours	Standard Hourly Rates	Standard Hourly Rates	2020 Total
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other-specify:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Sub-Total				_____
Out of Pocket Expense:				
Meals and lodging				_____
Transportation				_____
Other-specify _____				_____
Total all-inclusive maximum price for 2020 Audit				_____
Estimated total all-inclusive maximum price for 2021 Audit				_____
Estimated total all-inclusive maximum price for 2022 Audit				_____

Note: Rates quoted should not be presented as a percentage of standard hourly rate or gross deduction from the total all-inclusive price.