



## REQUEST FOR PROPOSALS (RFP) PROFESSIONAL AUDITING SERVICES

**Proposals Due:**

October 8, 2021 by 5:00 pm

**RFP Contact:**

Gitta Ungvari

Finance and Budget Manager

[gungvari@losgatosca.gov](mailto:gungvari@losgatosca.gov)

408-354-6805

**Deliver To:**

Town of Los Gatos  
Finance Department  
110 E. Main Street  
Los Gatos, CA 95030

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## 1. INTRODUCTION

The Town of Los Gatos (Town) is soliciting proposals from qualified firms of certified public accountants to audit its financial statements and private-purpose funds of the Town for the three fiscal years with the option to extend for two additional one-year terms, not to exceed a total of five fiscal years. These audits are to be performed in accordance with generally accepted auditing standards; the standards set forth for financial audits in the U.S. General Accountability Office's most recent *Government Auditing Standards*; the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996; the U. S. Office of Management and Budget's (OMB) guidance for federal awards and agreements as provided in the Code of Federal Regulation (CFR) 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and relevant Governmental Accounting Standards Board (GASB) Statements.

There is no expressed or implied obligation for the Town to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposals (RFP).

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

To be considered, five printed copies and one electronic copy of the technical proposal and five sealed, printed copies and one electronic copy of the dollar cost bid must be received by the Town of Los Gatos by 5:00 pm on October 8, 2021. Printed proposals are to be mailed or delivered in person to: Town of Los Gatos: Attention Gitta Ungvari, Finance and Budget Manager, 110 East Main Street, Los Gatos, CA, 95030. Electronic proposals are to be emailed to **[gungvari@losgatosca.gov](mailto:gungvari@losgatosca.gov)**. The Town reserves the right to reject any or all proposals submitted. Late proposals will not be considered.

It is anticipated that selection of a firm will be completed by November, and that a contract will be approved by the Town Council and executed by late December.

## 2. TERM OF ENGAGEMENT

It is the intent of the Town to contract for the services listed in this RFP for a term of three years. The Town reserves the right to extend the term of this contract for two additional one-year terms, for a maximum of five years, subject to the annual review and recommendation of the Director of Finance, approval of the Town Manager, and satisfactory negotiation of terms.

### 3. SERVICES REQUIRED

- a. **Entrance Conference.** Before commencement of interim field work, the firm must schedule an entrance conference with the Town Manager, Finance Director, and Finance Commission for the purpose of discussing any potential audit issues, clarifying responsibilities, and making arrangements for the workspace and other needs of its staff. The Finance Commission shall not participate in conference discussions that pertain to confidential employment or attorney-client privileged matters.
- b. **Status Reports.** During the engagement, the firm must meet with and provide status reports to the Town Manager and Director of Finance on a regular basis.
- c. **Exit Conference.** Upon completion of field work, and before issuing any report or management letter, the firm must schedule an exit conference with the Town Manager and the Director of Finance, the Budget and Finance Manager, and other Town staff as may be assigned. The purpose of the exit conference is to discuss observations, findings, and recommendations; and, as appropriate, any matters to be included in required communications and/or in a management letter.
- d. **Advice and Consultation.** Throughout the contract period, the firm must be available during regular business hours to provide the Town with informal advice and consultation on matters relating to accounting and financial reporting. The firm will be expected to keep the Town updated on the working requirements of all new accounting and financial reporting pronouncements of GASB, OMB, and the State of California. A senior staff member, at the manager, director, or partner level, will be responsible for responding to Town communications within one business day.
- e. **Town Requirements.** The firm must comply with all relevant Town requirements, such as obtaining a Los Gatos business license, providing proof of insurance for at least the minimum required amounts, and executing a Town contract for consulting services. Information about Los Gatos business licenses is available on the Town's website, [www.LosGatosCA.gov/businesslicense](http://www.LosGatosCA.gov/businesslicense). Information about current insurance requirements is available from the Clerk Administrator at (408) 354-6888. A sample Town contract is available from the Town Attorney's Office at (408) 354-6880.
- f. **Town Council and Finance Commission Meetings.** The firm shall make available up to four times per fiscal year a senior staff member at the manager, director or partner level to attend Town Council meetings and/or Finance Commission meetings for the purpose of discussing the audit, the management letter and its conclusions, the Comprehensive Annual Financial Report (Annual Financial Report), and other reports prepared by the auditor.

#### 4. SCOPE OF WORK

- a. **Town of Los Gatos Audit.** Audit and issue a report on the fair presentation of the Basic Financial Statements of the Town of Los Gatos in accordance with generally accepted auditing standards; the standards set forth for financial audits in the U.S. General Accountability Office's most recent Government Auditing Standards; the provisions of the federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996; OMB guidance for federal awards and agreements as provided in the Code of Federal Regulation (CFR ) 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and relevant GASB Statements. The audit shall be conducted for the purpose of forming an opinion on the Town's Basic Financial Statements taken as a whole, and to determine whether the operations were conducted in accordance with legal and regulatory requirements.
  
- b. **Comprehensive Annual Financial Report.** Prepare, with limited involvement of the Town, the Comprehensive Annual Financial Report (Annual Financial Report) for the Town of Los Gatos and the activities of the private-purpose trust funds of the Successor Agency to the Los Gatos Redevelopment Agency. The Town shall retain ultimate responsibility for the approval and dissemination of the Annual Financial Report; however, the firm shall prepare the draft and complete related tasks, including but not limited to the following:
  - Evaluate the document against the Annual Financial Report reporting checklists of the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) to ensure eligibility for their respective Annual Financial Report award programs. It is the Town's intention to continue to receive these awards annually and expect that the Annual Financial Report will meet their requirements.
  - Verification of implementation of recommended improvements from prior year submissions to GFOA under the Annual Financial Report award program.
  - Proofreading and overall review, including layout, design, and making suggested improvements to the document.
  - Printing and binding of the final document.
  - Assisting with the written responses to the recommendations and questions posed by the Finance Commission prior to the Annual Financial Report's consideration by Town Council.
  
- c. **Reportable Conditions.** In the required reports on internal controls, the firm shall communicate any reportable conditions found during the audits. A reportable condition is defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions

discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The reports on compliance shall include all instances of noncompliance.

d. **Management Letter.** Completion of a management letter, if applicable, reporting material weaknesses and significant control deficiencies. Prior to completion of the management letter, the firm shall meet with the Town Manager, Director of Finance, the Finance and Budget Manager, the Town Finance Commission, and other Town staff as assigned to review findings and recommendations in detail before the final letter and Town responses are published.

e. **Optional Services.**

- Development of Agreed Upon Procedures for the review and reporting of Measure G district sales tax revenues and expenditures.
- Preparation of the Cities Financial Transactions and Compensation Report (State Controller's Report).

f. **Deliverables.**

- One electronic file, in PDF format, and 25 bound copies, of the Annual Financial Report, including the necessary audit opinion letters.
- One electronic file, in PDF format, and 25 bound copies, of the federal single audit report, if applicable, including the necessary audit opinion letters.
- One electronic file, in PDF format, and 25 bound copies, of the management letter, if applicable.
- One electronic file, in PDF format, and 25 bound copies, of the required Appropriations Limit Review reporting upon agreed-upon procedures on compliance with Proposition 111 for the year audited.

g. **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:

- Los Gatos Town Council
- Town Manager
- Town Attorney

h. **Working Paper Retention and Access.** All working papers and reports must be retained at the firm's expense for a minimum of seven years, unless otherwise notified in writing by the Town. The firm will be required to make such working papers available, on request, to the following parties or their designees:

- Town of Los Gatos
- Parties designated by the Town, or federal or state governments, as part of an audit quality review process

- Auditors of entities of which the Town is a subrecipient 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.

The Town’s most recent audit was conducted by Badawi and Associates. The work papers of this previous audit will be reviewed by the successful firm.

## 5. PROPOSED TENTATIVE TIMELINE

Timeline	
Distribution of RFP	09/02/21
Deadline for Questions	09/22/21
Proposals Due to the Town	10/8/21
Oral Presentations/Interviews	Week of 10/25/21
Council Consideration of Contract	12/7/21

## 6. TOWN RESPONSIBILITIES

- Technical Support and Assistance.** Finance staff and responsible management personnel will be available during the audit to assist the firm by directing audit personnel to needed sources of information, documentation, and explanations. It is expected that the firm will rely on the assistance of Town staff to a minimum level, in consideration of limited staff capacity.
- Statements and Schedules.** Finance staff will prepare and/or provide all statements and schedules requested by the firm in its Prepared By Client (PBC) list. The preparations of confirmations will be the responsibility of the Town.
- Work Area and Equipment.** The Town will provide the firm with reasonable workspace, desks, and chairs; and access to telephone lines, photocopying, and fax machines.
- Manner of Payment.** The Town will make progress payments on the basis of hours of work completed and out-of-pocket expenses incurred, in accordance with the successful firm’s dollar cost bid, and in response to invoices submitted on a monthly basis. The final ten percent of the total all-inclusive maximum price will be retained and paid on delivery of the final audit documents.

## 7. DESCRIPTION OF THE GOVERNMENT

- a. **Background Information.** Information regarding Los Gatos and the Town organization, such as history, governmental structure, services provided, the current Operating and Capital Budgets, and the most recent Annual Financial Report, is available on the Town website at the Financial Transparency page:  
<https://www.losgatosca.gov/2565/Financial-Transparency>.
- b. **Fund Structure.** The Town and its component unit use the following fund types and account groups in financial reporting:

Fund Type	Number of Funds
General Fund	1
Special Revenue Funds	9
Debt Service Funds	1
Capital Projects Funds	8
Internal Service Funds	7
Trust & Agency Funds	7
<b>Total</b>	<b>33</b>

- c. **Budgetary Basis of Accounting.** Governmental fund types and fiduciary fund budgets are developed using the modified accrual basis of accounting. Proprietary fund budgets are developed using the full accrual basis of accounting. At fiscal year-end, budget appropriations lapse.
- d. **Pension Plans.** The Town contributes to the California Public Employees' Retirement System (CalPERS), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public agencies within the state of California.
- e. **Finance Operations.** The Finance Department is headed by Finance Director, Stephen Conway. The Department is responsible for budgeting, financial reporting, treasury, financial audits, payroll, accounts payable, accounts receivable, cash collection, business license, purchasing, and other general accounting functions.
- f. **Computer Systems.** The Town has personal computers that run Windows 10 and Windows 7, networked with Windows servers. This network extends to all Town Departments and provides enterprise-wide connectivity and email capability.



The Town uses the FinancePlus financial software by SunGard Public Sector, including the budgeting, payroll, purchasing, accounts payable, accounts receivable, cash receipts, business license, and fixed assets functions, which are fully integrated with the General Ledger module. The Town uses Office 2010 professional suite.

## 8. SUBMISSION OF PROPOSAL

The following materials must be submitted for a proposal to be considered: Five printed copies and one electronic copy of a technical proposal must be submitted. There should be no cost information whatsoever in the technical proposal document. The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firm and of the particular staff to be assigned, in conformity with this RFP. It should also specify an audit approach that will meet the requirements of this RFP.

The technical proposal should address all the points outlined in this RFP (excluding cost information). At a minimum, the following components must be included:

- a. **Title Page**, showing the RFP subject; the firm's name; the name, address, telephone number, and email address of the contact person; and the date of the proposal.
- b. **Table of Contents**, including a clear and complete identification of the materials submitted by section and page number. Cross-referencing to section and page number in this RFP is preferred.
- c. **Transmittal letter**, briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the timeline in this RFP, a statement addressing why the firm believes itself to be the best qualified to perform the work, and a statement that the proposal is a firm and irrevocable offer for 90 days. Certify 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 Town.
- d. **Independence**. The firm shall provide an affirmative statement that it is independent of the Town as defined by generally accepted auditing standards and the U.S. General Accountability Office's *Government Auditing Standards*. The firm should list and describe the firm's professional relationships, if any, involving the Town or any of its component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to the scope of services contemplated in this RFP. In addition, the successful firm shall be required to give the Town written notice of any professional relationships entered into during the period of the contract.

- e. **License to Practice in California.** An affirmative statement should be included that the firm and all assigned professional staff are properly licensed to practice as certified public accountants in California.
- f. **Firm Qualifications and Experience.** State the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and titles/roles of the professional staff to be employed in this engagement on a full-time basis, and the number and titles/roles of the staff to be so employed on a part-time basis. If the proposer is a joint venture or consortium, the qualifications of each firm comprising it must be separately identified, and the firm that is to serve as the principal auditor must be noted. The firm must submit a copy of a report on its most recent external quality control peer review, with a statement of whether that review included a review of specific government agency engagements. The firm must also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm must provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
- g. **Partner, Supervisory, and Staff Qualifications and Government Experience.** Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three years, and membership in professional organizations relevant to the performance of this audit. Provide as much information as possible regarding the number, qualifications, experience, certifications, licensure, registrations, and training of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the contract would be assured.

Engagement partners, managers, other supervisory staff, and specialists may be replaced during the period of the contract if those personnel leave the firm. These personnel may also be replaced for other reasons with the express prior written permission of the Town. However, in either case, the Town retains the right to approve or reject replacements.

Consultants and firm specialists identified in the proposal may only be replaced with the express prior written permission of the Town, which retains the right to approve or reject replacements. Other audit personnel may be replaced at the discretion of the firm, provided that replacements have substantially the same or better qualifications and experience.

- h. **Similar Engagements and References.** For the firm's office that will be assigned responsibility for this engagement, list at least the five most significant assignments

performed in the last five years that are similar to that described in this RFP. The assignments listed should be with government entities, preferably of a similar size and located in the Bay Area. For each, indicate the name of the organization, scope of work, dates during which service was provided, engagement partners, total staff hours, and the name and telephone number of the principal client contact.

- i. **Specific Audit Approach.** Include a work plan and proposed timeline, including an explanation of the audit methodology to be followed, to perform the services listed in Section II of this RFP. In developing the work plan, the firm should make reference to such sources of information as the Town's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. The following information must be included in the audit approach:
  - Proposed segmentation of the engagement
  - Level of staff, or outside experts, and number of hours to be assigned to each proposed segment
  - Sample size and the extent to which statistical sampling would be used
  - Type and extent of analytical procedures to be used
  - Approach to be taken to gain and document an understanding of the Town's internal control structure
  - Approach to be taken in determining laws and regulations that would be subject to audit test work
  - Approach to be taken in drawing audit samples for the purpose of tests of compliance
- j. **Discussion of Relevant Accounting Issues.** The firm must identify and describe recent changes in accounting principles and pronouncements and their impacts on the presentation, scope, and disclosure of the Town's financial report.
- k. **Prepared By Client List.** Include a list of standard client-prepared audit schedules the firm anticipates Town staff to provide.
- l. **Proposer Warranties.** Include an executed copy of Appendix A to this RFP, Proposer Warranties.
- m. **Sealed Dollar Cost Bid.** Five sealed, printed copies and one electronic copy of a dollar cost bid must be submitted. The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive maximum price to be bid should contain all direct and indirect costs, including all out-of-pocket expenses. The Town will not be responsible for expenses incurred in preparing and submitting either a technical proposal or a dollar cost bid in response to this RFP: such costs should not be included in a dollar cost bid. The bid for optional services identified in the Scope of Work should be submitted separately.

The dollar cost bid should address all the points outlined in this RFP. At a minimum, the following components must be included:

- Name of Firm.
- Certification, that the person signing the bid is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Town.
- A Total All-Inclusive Maximum Price, for each of the first three fiscal years' engagements. Prices for the optional services are to be submitted separately.
- Include separate schedules of all fees and expenses for each of the work tasks and deliverables described in this RFP, and for the optional services for each of the first three fiscal years' engagements. These schedules should include hourly rates and number of hours anticipated for each staff level; as well as out-of-pocket expenses such as transportation, meals, communications, and duplication costs. The total of these separate schedules should have a direct relationship to the total all-inclusive maximum price.
- If it should become necessary for the Town to request the successful firm to render any additional services to either supplement the services requested in this RFP or to perform any additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town and the firm. Any such additional work would be performed at the same rates submitted in the dollar cost bid.

## 9. EVALUATION PROCEDURES

All submitted proposals will be evaluated by a Finance Commission representative, the Director of Finance, the Finance and Budget Manager, and other key Town staff. The evaluators will use a point system, as outlined below, during the review process to score proposals. Each evaluator will first score each of the technical proposals; these individual scores will then be combined to arrive at a total technical score for each firm. Any firm with an unacceptably low technical score will be eliminated from further consideration.

Next, the sealed dollar cost bids will be opened and scored. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price; appropriate fractional scores will be assigned to the other firms.

The Town will invite at least the firms with the top three scores to make oral presentations/ interviews during the week of October 25, 2021. It is anticipated that selection of a firm will be completed by November with review and recommendations by the Finance Commission, and that a contract will be considered by the Town Council in early December 2021.

All proposals will be evaluated on the using the criteria shown below. If a firm does not meet all the mandatory criteria, it will not be evaluated further. Firms whose technical proposals achieve an acceptable score will then have their dollar costs bids scored. The following represent the principal selection criteria that will be applied during the evaluation process.

**EVALUATION OF PROPOSALS – 100 MAXIMUM POINTS**

SCORING WEIGHT	EVALUATION CRITERIA
Mandatory	Independent, licensed to practice in California. No conflict of interest. Adhered to instructions on preparation and submission of RFP. Copy of last external quality control review report submitted. Has a record of producing quality audit work.
25 points	Technical Experience of Firm: Past experience on comparable engagements. Past experience and performance with similar software (Finance Plus financial software by SunGard Public Sector).
20 points	Staff Qualifications: Experience and qualification of the firm’s personnel assigned to engagement; quality of firm’s management support available for technical consultation.
25 points	Responsiveness of Proposal: Clearly stating an understanding of services to be provided. Appropriateness and adequacy of proposed procedures; sampling techniques; analytical procedures; reasonableness of proposed work plan and timeline.
30 points	Cost of the audit

**10. ATTACHMENTS**

The following attachments are incorporated into the Request for Qualifications:

ATTACHMENT 1 – CONFLICT OF INTEREST STATEMENT (FOR SUBMITTAL)

ATTACHMENT 2 – NON-COLLUSION DECLARATION (FOR SUBMITTAL)

ATTACHMENT 3 – REFERENCES (FOR SUBMITTAL)

ATTACHMENT 4 – STATEMENT REGARDING INSURANCE COVERAGE AND WORKER’S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE (FOR SUBMITTAL)

ATTACHMENT 5 – SAMPLE CONSULTANT SERVICES AGREEMENT (INFORMATION)

**ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

The undersigned declares:

I/We \_\_\_\_\_ (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

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I/We \_\_\_\_\_ (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

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Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will

immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_ [date], at \_\_\_\_\_ [city], \_\_\_\_\_ [state].

\_\_\_\_\_  
Proposer Name (Person, Firm, Corp.)

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

**ATTACHMENT 2 – NON-COLLUSION DECLARATION**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL  
PROFESSIONAL AUDITING SERVICES**

The undersigned declares:

I am the \_\_\_\_\_ [Insert Title] of \_\_\_\_\_, [Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.



**ATTACHMENT 3 - REFERENCES**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

**List three (3) references for work of a similar nature to the Services performed within the last five (5) years. Use additional sheets as necessary.**

1.

_____	_____
Name of Agency	Agency Address
_____	_____
Contact Name	Contact Title
_____	_____
Contact Telephone	Contact Email Address
_____	_____
Contract Period	Contract Amount
_____	_____
_____	_____

**Description of services performed including costs.**

2.

_____	_____
Name of Agency	Agency Address
_____	_____
Contact Name	Contact Title
_____	_____
Contact Telephone	Contact Email Address
_____	_____
Contract Period	Contract Amount
_____	_____
_____	_____

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**Description of services performed including costs.**

3.

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Name of Agency

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Agency Address

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Contact Name

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Contact Title

---

Contact Telephone

---

Contact Email Address

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Contract Period

---

Contract Amount

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**Description of services performed including costs.**

I hereby certify that the Proposer performed the work listed above.

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Signature of Proposer

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Name

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Date

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_[date], at \_\_\_\_\_[city], \_\_\_[state].

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

Name: \_\_\_\_\_

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

**ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION  
INSURANCE ACKNOWLEDGMENT CERTIFICATE**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

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Name of Proposer (Person, Firm, or Corporation)

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Signature of Proposer's Authorized Representative

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Name & Title of Authorized Representative

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Date of Signing

**ATTACHMENT 5 – SAMPLE CONSULTANT SERVICES AGREEMENT**

**[ATTACHED BEHIND THIS PAGE]**

## **AGREEMENT FOR CONSULTANT SERVICES**

THIS AGREEMENT is made and entered into on \_\_\_\_\_ (DATE) by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and \_\_\_\_\_ NAME OF COMPANY, ("Consultant"), whose address is \_\_\_\_\_ ADDRESS OF COMPANY. This Agreement is made with reference to the following facts.

### **I. RECITALS**

- 1.1 The Town desire to engage Consultant to provide BRIEF DESCRIPTION OF SERVICES TO BE PERFORMED.
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

### **II. AGREEMENTS**

- 2.1 Scope of Services. Consultant shall provide services as described in that certain NAME OF DOCUMENT (EX: ENGAGEMENT LETTER, PROPOSAL, ETC.) sent to the Town on DATE DOCUMENT SENT, which is hereby incorporated by reference and attached as Exhibit A. IF NO DOCUMENT DESCRIBES SERVICES, then INSERT DESCRIPTION OF WHAT CONSULTANT WILL BE DOING HERE.
- 2.2 Term and Time of Performance. This contract will remain in effect from \_\_\_\_\_ to \_\_\_\_\_. Consultant shall perform the services described in this agreement as follows: ENTER DESCRIPTION OF SERVICE SCHEDULE.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.
- 2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$AMOUNT**, inclusive of all costs. Payment shall be based upon Town approval of each task.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.
- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

### **III. INSURANCE AND INDEMNIFICATION**

- 3.1 Minimum Scope of Insurance:
- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.



- 3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.
- 3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

#### IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos  
Attn: Town Clerk  
110 E. Main Street  
Los Gatos, CA 95030

CONSULTANT NAME  
  
Attn:  
ADDRESS HERE

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Consultant, by:

\_\_\_\_\_  
Laurel Prevetti, Town Manager

Recommended by:

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
Printed Name and Title

Approved as to Form:

---

Robert Schultz, Town Attorney

Attest:

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Shelley Neis, MMC, CPMC  
Town Clerk