



Website:
www.beaumontca.gov

Address:
550 E. 6th Street
Beaumont, CA 92223

Phone:
951.769.8520

Request for Proposals For Financial Auditing Services

Proposals Due By:

12:00 pm
January 17, 2025

Contact:

Jennifer Ustation, Director of Finance
550 E. 6th Street - Beaumont, California 92223
justation@beaumontca.gov

RFP Available

Planet Bids Portal at
<https://vendors.planetbids.com/portal/66785/bo/bo-search>



Table of Contents

Request for Proposal

Introduction.....3

Background.....3

Additional responsibilities.....4

Term.....4

Proposal Requirements.....5

Key Milestones for Deliverables.....7

Response Submittal.....9

Project Schedule.....10

Confidentiality.....10

Amendments to RFP.....10

City of Beaumont Rights and Options.....11

Conflict of Interest.....12

Proposal Evaluation/Selection.....12

Exhibit A

 Scope of Services.....15

Exhibit B

 Cost Summary.....20

Exhibit C

 Professional Services Agreement.....22



Introduction

The City of Beaumont is requesting qualified public accounting firms to submit proposals to audit the City's financial statements for the five (5) fiscal years beginning with the year ending June 30, 2025, with the option of extending the contract for one (1) additional one-year period, at the City's sole discretion. These audits are to be performed in accordance with generally accepted auditing standards, *Governmental Auditing Standards* issued by the Comptroller General of the United States, and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Additional information is found in the Scopes of Services (Exhibit A).

All services provided by the Consultant shall be performed by individuals who meet the qualifications, education, and certification/licensing requirements for the position. The successful Consultant shall also have the resources to provide cost-effective and timely services, including providing customer service to the CITY.

Qualified firms that submit a proposal will be evaluated in accordance with the requirements defined within this RFP. The City reserves the right to waive any irregularity in any proposal, withdraw or amend this RFP or reject any proposal that does not comply with this RFP or City policies.

Background

The City of Beaumont is a general law city incorporated in 1912 currently serving a population of approximately 57,000, located in Western Riverside County. The City operates under a council-manager format of government which consists of a Mayor, Mayor Pro-Tem, three Councilmembers and the City Manager. The positions of Mayor and Mayor Pro-Tem are rotated among the elected Councilmembers. A City Clerk and Treasurer are elected positions, each for a four-year term.

In addition to its function as the governing body of the City, the City Council acts as the governing body for other separate entities: Beaumont Financing Authority, Beaumont Public Improvement Authority, Beaumont Parking Authority, Beaumont Transit System, and Beaumont Utility Authority. There is no requirement for separate financial reporting for these separate entities with one exception (Beaumont Transit System).

Official accounting records are on-site in the Finance Department, while some supporting information may be located in other departments within the City. Beaumont uses the Tyler Incode 10 accounting software and Enterprise for Fees. Payroll is processed in house through Tyler Incode 10.



Relevant operational detail for conducting the independent financial audit is provided as follows:

1. The Finance Department consists of the Finance Director, and eight (8) staff members responsible for accounting and financial reporting, budgeting, grants, accounts payable, revenue recording, banking and treasury investment, purchase order and project accounting tracking. Revenues are collected at various locations throughout the City and recorded into Tyler Incode 10 by non-finance department personnel.
2. City Funds and Account Groups are as follows:
 - a. General Fund (1)
 - b. Internal Service Funds (1)
 - c. Special Revenue Funds (14)
 - d. Debt Service Fund (1)
 - e. Other Governmental Funds (14)
 - f. Capital Project Funds (2)
 - g. Enterprise Funds (2)
 - h. Agency Funds (4)
3. The City, organized into ten departments (Administration, Communications, Finance and Budget, IT, Economic Development, Risk and Human Resources, Community Development, Community Services, Public Safety, Public Works), provides a full range of municipal services. In addition, the City has component units including the Beaumont Utility Authority, Beaumont Financing Authority, Beaumont Public Financing Authority, Beaumont Parking Authority, and Beaumont Transit System. Public Safety Fire services are contracted with Cal Fire, but Animal Control, Code Enforcement, Police and Dispatch are performed by City employees.
4. The City's total expected payroll for the year ended June 30, 2025 is approximately \$31.8 million, covering 247 budgeted full-time and part-time positions. The total municipal budget for the 2024-2025 fiscal year is approximately \$96 million.

For further information, City's past two years ACFRs' and current and last year adopted budget are located on the City's website at: <https://beaumontca.gov/921/Audits-and-Reports>

Rogers, Anderson, Malody and Scott, LLP served as the City's auditor in the past years.

Additional Responsibilities

The Consultant shall be responsible for completing the specified services in accordance with the CITY's Professional Services Agreement (PSA) by Independent Contractor, a sample of which is attached (Exhibit A).



Term

The term of the agreement shall be determined upon the need for services and consistent with the City's policies. The initial period of the contract is five (5) years, with one one-year extension as approved by the City Council, subject to agreement terms and the Beaumont Municipal Code.

Proposal Requirements

Proposals shall clearly address all the information requested and describe the methodology to be used to accomplish each of the project tasks. Please note: this RFP cannot identify each specific, individual task required to successfully and completely implement this project. The CITY relies on the professionalism and competence of the selected firm to be knowledgeable of the general areas identified in the scope of services. The CITY will not approve addenda to the selected firm's agreement which do not involve a substantial change from the general scope of work identified in this RFP.

The proposal shall clearly address all the information requested herein. To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized and contain all information as specified below.

A. Cover Letter: Maximum of two pages serving as an Executive Summary which shall include an understanding of the scope of services. The RFP shall be transmitted with a cover letter that must be signed by an official authorized to bind the consultant contractually. That letter accompanying the RFP shall also provide the name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the consultant. The cover letter constitutes certification by the consultant, under penalty of perjury, that the consultant complies with nondiscrimination requirements of the State and Federal Government. An unsigned proposal or one signed by an individual unauthorized to bind the consultant may be rejected.

B. Introduction/Information:

Firms must provide the following information regarding the organization:

- Name
- Street Address
- City, State, Zip Code
- Corporate Structure
- State/Country of Incorporation
- Website
- Contact Information

In addition, please include the size of the firm, the size of the firm's governmental audit staff,



and the location of the office from which the work on this engagement will be performed.

Firms should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1994). Firms should provide an affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in California.

Firms shall submit a copy of its most recent quality control review. Firms shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm with state regulatory bodies or professional organizations, as well as any pending or settled litigation, during the past three years.

- C. Audit Approach: The proposal should set forth a detailed work plan, including an explanation of the audit methodology for providing the services required in this RFP. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
- D. City Staff: Provide a detailed description of the firm's approach to communicating effectively with CITY staff and officials, other jurisdictional stakeholders, and the public, to facilitate successful delivery of assigned tasks. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Services.
- E. Specific Expertise Desired: The City has extensive use of Community Facility Districts (CFDs), Development Impact Fees (DIFs) and land secured bond issuances. Direct expertise in these areas is desired. Please provide your experience and knowledge in these areas.
- F. Key Personnel: This section shall identify the Partner, Manager, and other key personnel and any subconsultants assigned to the services. Provide information on the training, government auditing experience, and specialized skills of each person and whether each person is licensed to practice as a certified public accountant in California. In addition to this summary, full resumes should be provided.
- G. Disclosure - Please disclose any and all past or current business and personal relationships with any current Beaumont elected official, appointed official, City employee, or family member of any current Beaumont elected official, appointed official, or City employee. Any past or current business relationship may not disqualify the firm from consideration.
- H. References - For the firm's office that will be assigned responsibility for the audit, provide a list of the most significant engagements performed in the last five years that are similar to the engagement described in this Request for Proposal. Indicate the scope of work, dates, engagement partners, total hours and contact information for the client.
- I. Overview and Scope of Services - Provide a description of the tasks, sub-tasks, and deliverables that will be provided. The Scope of Work should be presented in a logical format that can be easily attached to the Professional Services Agreement (PSA). The request for Proposals is for



Professional Auditing Services as set forth in Exhibit A – Scope of Services.

- J. Cost Summary - The Cost Summary should contain, itemized pricing for each of the five potential fiscal years. The total maximum annual price should contain all direct and indirect costs, including out-of-pocket expenses. Please use the Cost Summary (Exhibit B) to submit pricing. In your proposal, please indicate any specific costing elements such as footnote disclosures that impact the overall cost, such as preparation of Single Audit.
- K. Hours - The proposal should include the anticipated number of hours and distribution by staff classification. The proposal should also include a schedule of rates by professional staff classifications for audit services and consulting services. Please indicate if your proposal includes a “not to exceed” quote.
- L. Signature - The response shall be signed by an official authorized to bind the firm and shall contain a statement to the effect that the proposal is valid for ninety (90) days.
- M. Special Considerations - The City will send its annual comprehensive financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Beaumont to meet the requirements and time deadline of this program.
- N. Timing Considerations – The selected audit firm must ensure the timely completion of all audits tasks and deliverables, adhering to the City’s deadline of November 30th for final report submission to City Council.
- O. Other - Any other information that should be considered, such as any special services or customer service philosophy, which defines your firm’s practice.
- P. Insurance: The firm will be required to have General liability insurance, professional liability insurance, worker’s compensation, and vehicle coverage including comprehensive and collision insurance naming the CITY of Beaumont as additional insured. The proposal shall state whether such insurances will be in force at the time of contract execution.

Key Milestones for Deliverables

- A. Entrance conference as soon as practicable after contract execution in 2025.

The purpose of this meeting will be to discuss any prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor. The auditor shall provide both a detailed audit plan and a list of all schedules to be prepared by the City of Beaumont for the interim audit.

- A. Interim fieldwork between April and May.
- B. Interim exit conference will occur on the last day of associated fieldwork.



The purpose of this meeting will be to summarize the results of the preliminary tests of the key internal controls and to discuss a written report of items of concern or other matters to be tested.

- C. Detailed Audit Plan to be provided within two (2) weeks of conclusion of Interim audit.

The auditor shall provide both a detailed audit plan and a list of all schedules to be prepared by the City for the final phase of the audit.

- D. Entrance conference to commence final audit work by October 6, 2025, and on or before the first week in October for subsequent years.

The purpose of this meeting will be to discuss prior audit problems and the audit work to be performed, and the accounting structure and system. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Progress conference with the Finance Director and staff will be held at least every two weeks starting when the auditors begin final audit fieldwork and continuing through issuance. An exit conference will also be held with the Finance Director and staff at the conclusion of field work to summarize the results of the field work and review significant findings

- E. Fieldwork to commence the week of the entrance conference and is to conclude within three (3) weeks.

- F. Exit conference to occur on final day of fieldwork.

The purpose of this meeting will be to summarize the results of the field work and to review significant findings. The auditor shall have drafts of the audit reports and recommendations to management available for review by the Finance Director and designees by this date. Please also provide a listing of outstanding issues that have not been resolved during the audit.

- G. Draft Reports to be reviewed by City Staff within three (3) weeks of fieldwork.

- H. City to provide the following report edit to auditor within one (1) week of receipt of draft reports:

1. Report Draft changes
2. Management Discussion and Analysis
3. Transmittal Letter
4. Responses to all the outstanding items

- I. Auditor provides all final reports to City two (2) weeks prior to issuance for final review.

- J. Auditor to issue opinions for all the reports

1. Comprehensive Annual Financial Report – on or before November 30th.
2. Memorandum of Internal Control – concurrent with ACFR issuance each year
3. Required Communications – concurrent with ACFR issuance each year
4. Single Audit Report – on or before March 15th each year
5. Appropriation Limit AUP – concurrent with ACFR issuance each year



Response Submittal

All questions or requests for clarifications regarding this RFP shall be submitted on planetbids by 5:00 p.m. PST January 03, 2025. Responses to all questions will be posted on the same website to allow all users to review the City's responses to all questions within one (1) week of the question due date.

****DUE DATE FOR QUESTIONS IS, JANUARY 03, 2025 BY 5:00 P.M.****

Submit one (1) digital copy of proposal and one (1) digital copy of the cost proposal in PDF format on Planetbids in accordance with the proposal submission deadline, which is **12:00 pm PST on JANUARY 17, 2025**. Proposal must be titled "Proposal for professional auditing services" and the cost proposal must be titled "Cost proposal for professional auditing services" All costs associated with preparation of any proposal shall be the sole responsibility of the proposer.

****DUE DATE FOR PROPOSALS IS JANUARY 17, 2025 BY 12:00 P.M.****

By proposing on this project, you are indicating that you agree to all terms and conditions of the City's Professional Services Agreement, which is attached to this RFP as Exhibit A.

No RFC or questions will be accepted after 5:00 p.m. on **January 03, 2025**. All RFC responses will be posted on the CITY's Planet Bids Portal by January 10, 2025.

No postmarked proposals will be accepted. Once submitted, proposals, including the composition of the consulting staff, cannot be altered without prior written consent of the CITY.

If prior to the date fixed for submission of Proposals, a prospective Company discovers any ambiguity, conflict, discrepancy, omission or other errors in this RFP or any of its appendices, exhibits or attachments, the Company shall immediately notify the City of such error in writing and request modification or clarification of the document. Modifications shall be made by written Addenda to the RFP.

If a Company fails to notify the City, prior to the date fixed for submissions of Proposals, of an error in the RFP known to the Company, or an error that reasonably should have been known to the Company, the Company shall submit its Proposal at its own risk, and if the Company is awarded a Contract, it shall not be entitled to additional compensation or time by reason of the error or its later correction.

All communications regarding technical, scope, and/or project related questions and requests for clarifications, changes, exceptions, and deviations to the terms and conditions set forth in this RFP shall be submitted via "Q&A" through the City's Electronic Bidding System, Planetbids, before the deadline and according to these specifications herein. Any and all other bidding



communications shall only be with Raveena Chara, Procurement Contract Specialist,
rchara@beaumontca.gov

The Final day for receipt of questions from the Proposer shall be on or before the due date indicated in the RFP event schedule section below. To ensure fairness and avoid misunderstandings, all communications must be in written format and submitted only in the format set forth above. Any verbal communications will not be considered or responded to. All questions received by the due date will be logged and reviewed

RFP Project Schedule

Event	Date
RFP Issued	Friday, December, 6, 2024
Questions Due	Friday, January 3, 2025
Responses to questions provided by	Friday, January 10, 2025
Submittals Due	Friday, January 17, 2025, 12:00 p.m.
Staff Review	January 20,2025 to January 24, 2025
Presentations/Interview	Week of February 3, 2025
Contractor Selection	Monday, February 10, 2025
City Council review/approval	Tuesday, March 4, 2025
Interim Fieldwork begins	April or May 2025

Confidentiality

Prior to the proposal submittal deadline, all proposals will be designated confidential to the extent permitted by the California Public Records Act. After the proposal submittal deadline, all responses will be regarded as public records and will be subject to review by the public. Any language purported to render confidential all or portions of the proposals will be regarded as non-effective and will be disregarded.

Amendments to Request for Proposals

The CITY reserves the right to amend the RFP by addendum prior to the final proposal submittal date. The addenda will be posted on the CITY’s Planet Bids Portal:

<https://vendors.planetbids.com/portal/66785/bo/bo-search>



City of Beaumont Rights and Options

This RFP does not commit the City of Beaumont to award a contract or to pay any cost incurred with the preparation of a proposal or contract for services described herein. The City may, in its sole discretion and without any obligation to act reasonably, reject any and all proposals, waive informalities and minor irregularities in any proposal reviewed, negotiate with any qualified source submitting a proposal, extend deadlines, and/or request additional information.

Subsequent to negotiations, prospective trustees may be required to submit revisions to their proposals. The City may reject any proposal that does not conform to the instructions provided in this RFP. Additionally, the City reserves the right to negotiate all final terms and conditions of any proposal received before entering into final contract.

The City reserves the right to postpone selection for its own convenience, to withdraw this RFP at any time, and to reject any and all proposals without indicating any reason for such rejection. As a function of the RFP process, the City of Beaumont reserves the right to remedy technical errors in response to the RFP and to modify the published scope of services and scope of work. Proposals submitted in response to the RFP will not be returned.

The City of Beaumont reserves the right to reject any or all responses, to waive any informality in any responses, and to select the vendor that best meets the City's needs.

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

All property rights, including publication rights of all reports produced by respondents in connection with services performed under this agreement will be vested in the City. In addition, respondents will not publish or release any of the results of its examination without the express written permission of the City.

Responses must be submitted no later than the date and time stated on this RFP. Responses shall be reviewed and rated as set forth in the Selection Process section of this RFP. The City will then determine which firm best meets the City's requirements.

During the evaluation process, the City reserves the right (where it may serve the City's best interest) to request additional information or clarification from respondents. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was 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 as submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right to negotiate final pricing with the most qualified firm. The City may invite selected firms to meet with the evaluation team on or around the week of February 10, 2025, at no additional cost to the City.

The City's standard Contract Services Agreement is included as Exhibit C. Upon award of the contract, it is expected that the successful proposer will accept the Agreement terms and conditions "as is" without modification. Any contract modifications are to be stated upfront, at the time of submittal.

Any costs incurred in the preparation of the response, presentation to the City, travel in conjunction with such presentations, or samples of items shall be the responsibility of the respondent. The City assumes no responsibility and no liability for costs incurred by respondents prior to issuance of a contract.

The proposer shall furnish the City with such additional information as the City may reasonably require.

Conflict of Interest

The Consultant shall disclose any personal or professional financial, business, or other relationships with the CITY that may have an impact on the outcome of this contract or any resulting project. The consultant shall also list current clients who may have a financial interest in the outcome of this contract.

Proposal Evaluation/Selection

Staff will review the proposals and make a recommendation to the City Council for review (tentatively scheduled for March 4, 2025). The City intends to evaluate the proposals based upon the data presented in response to the RFP. The following general selection criteria will be used to evaluate each proposal:

1. Ability to meet service requirements; understanding the needs and requirements of the City; scope and services offered.
2. Experience, qualifications and knowledge of key personnel; references for similar work completed within the last three years. (Particular emphasis will be placed in the area of customer support.)
3. Proposed pricing.
4. Completeness of responses to the Request for Proposals

The CITY intends to engage the most qualified consultant available who demonstrates a thorough understanding of the CITY's needs. CITY staff will use the following criteria to evaluate the proposals:



Criteria	Points
Understanding of the Scope of Services	15
Demonstrated Professional Skills and Credentials	25
Related Experience and Previous Projects	20
Proposed Approach to Performing the Services	15
Proposed Pricing	25
Total	100

The CITY may request a qualification interview with the highest-ranked consultant(s) prior to determining the final ranking. This selection will be conducted according to the CITY's adopted procedures. The CITY may select the top two firms and enter into negotiation. The CITY reserves the right to reject any and all proposals.

Exhibits

- A. Scope of Services
- B. Cost Summary
- C. Sample Professional Services Agreement (PSA)



- - - - - END OF REQUEST FOR PROPOSAL - - - - -

EXHIBITS TO FOLLOW



EXHIBIT "A"

SCOPE OF SERVICES

(insert behind this page)



EXHIBIT A

Scope of Services

The City's goal is to provide the public and its constituents with a financial statement that gives complete, accurate and understandable information about the City's financial condition. The selected independent auditor will be required to perform the following tasks:

1. Annual Comprehensive Financial Report - Audit the Basic Financial Statements of the City to obtain reasonable assurance about whether the financial statements are free from material misstatement. Express an opinion on the fair presentation of the City's governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in conformity with generally accepted accounting principles. The Auditor shall also be responsible for performing certain limited procedures involving management's discussion and analysis (MD&A) and the required supplementary information (RSI) required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

A draft shall be issued twenty (20) days prior to the final report issue date to be available for presentation to the Finance and Audit Committee. The auditors' staff shall be available to resolve areas of concern relative to the discussion draft and/or financial statements. The final report is to be delivered by November 30, with earlier issuance encouraged when possible.

2. Single Audit Act Report (if required) – The audit firm will perform a single audit on the expenditures of federal grants in accordance with the provisions of the Single Audit Act Amendments of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and render the appropriate audit reports on Internal Control over Finance 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, and internal Control over Compliance. The single audit report prepared and published by the audit firm will include appropriate schedule of expenditures and material weaknesses and follow up on prior audit findings where required. If the City does not meet the minimum requirements to necessitate a single audit, the fees shall be adjusted accordingly. Additionally, the audit firm will submit the required information to the Federal Audit Clearinghouse.

A draft shall be issued fifteen (15) days prior to the final report issue date. The auditors' staff shall be available to resolve areas of concern relative to the discussion draft and/or financial statements. The final report is to be delivered on or before March 15.

3. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
 - a. In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A



reportable condition shall be 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.

- b. Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls.
 - c. The report shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls. The management letter shall be address to the City Manager. Prior to its release, City staff shall be given an opportunity to review and comment.
4. Updates – The firm selected is expected to keep the City abreast of new developments affecting municipal finance and reporting, Government Accounting Standards Board pronouncements, procedural changes for grants, etc. The City is requesting the firm to provide continuing professional development, up to 10 hours, as part of keeping the City updated. The firm is also expected to provide advice to City staff related to the proper accounting treatment for transactions as needed and without additional costs.
 5. Other –The firm selected may also be asked to examine other reports or perform other services as required. The scope and compensation for any such request would be negotiated between the City and the Auditor.

Auditing Standards to be Followed

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

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants
- The standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States
- The provisions of the Federal Single Audit Act
- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Reports to be Issued

Following completion of the audit and preparation of the fiscal year's financial statements and special purpose audits, the Auditor shall issue:



1. Reports on the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America as listed below: a. Annual Comprehensive Financial Report b. Single Audit Report
2. A report based on the internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. A report on the compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with OMB Circular A-133 and on the schedule of expenditures of federal awards. Also included would be a schedule of findings and questioned costs associated with federal awards.
4. A Management Letter setting forth recommendations (as applicable) for improvements in the City's internal control, accounting procedures, and any other significant observations.
5. Reports to and communication with those charged with governance, as required by auditing standards.
6. Auditors shall be required to make immediate, written notification to the City Council, City Manager, and City Attorney of all irregularities and illegal acts or indications of illegal acts of which they become aware.
7. Any other reports that may become required as a result of a change in accounting standards or new pronouncements that become effective during the term of the engagement.

Other Communications

The Auditor shall make all communications to the City required by the audit standards under which the engagement is performed. Those communications include, but are not limited to:

- The Auditor's responsibility under generally accepted auditing standards.
- Significant accounting policies.
- Management judgment and accounting estimates.
- Significant audit adjustments.
- Other information in documents containing audited financial statements.
- Disagreements with management.
- Management consultation with other accountants.



- Major issues discussed with management prior to retention.
- Difficulties encountered in performing the audit.
- Errors, irregularities, and illegal acts.

The Auditor must be available to present the audit plan prior to beginning field work. In addition, the Auditor must be available to present all final reports to City management and the City Council as requested at no additional costs.

Working Paper Retention and Access to Working Papers

All work papers and reports must be retained, at the auditor's expense, for a minimum of five years (or the retention timeframe established by the professional standards, whichever is longer) unless the firm is notified in writing by the City of the need to extend the retention period. The work papers are subject to review by Federal and State agencies and other individuals designated by the City. Accordingly, the work papers will be made available upon request.

In addition, the firm will respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers.

Additional Consulting Hours

It is expected that the selected proposer will keep the City informed of new state and national developments affecting municipal finance and reporting, standards and trends including changes in federal/state grant program accounting and reporting requirements. This shall include at least one formal updating session per year with financial/accounting staff.

The scope of the audit must also include consulting time on subjects that could affect financial reports such as reviewing official statements for bond sales or answering payroll taxation issues, (this is in addition to consultations on matters directly relating to the audit and reports).

Journal Entries

All adjusting journal entries made by the independent auditors must be discussed and explained to the designated Finance Department personnel prior to recording. They should be in a format that shows the lowest level of posting detail needed for data entry in the general ledger system.



EXHIBIT B

Cost Summary

(insert behind this page)



EXHIBIT B

Cost Summary

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

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

	<u>Year Ended June 30th</u>				
	2025	2026	2027	2028	2029
Basic Reports to Be Issued					
City Audit, including ACFR and Related Reports					
Total					
<hr/> <hr/>					
Additional Audit Reports To Be Requested At City Option					
Single Audit and Related Reports					
Annual Report of City Financial Transactions to State Controller					
Total					
<hr/> <hr/>					

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

	Hours Billing Rate	Estimated Number of Hours	Estimated Charges
Partners			
Mangers			
Senior Accountant			
Staff Accountant			
Clerical/Support Staff			
Other			

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

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT “C”

SAMPLE PROFESSIONAL SERVICES AGREEMENT (PSA)

(insert behind this page)

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the ____day of _____ 20__, by and between the CITY OF BEAUMONT (“CITY”) whose address is _____, Beaumont, California 92223 and, a _____, whose address is _____ (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY desires to engage CONTRACTOR to provide _____; and
- B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “A” and incorporated herein by this reference; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year(s) unless extended by the parties with the approval of the City Council of the CITY.
2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) per Exhibit “A”. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates _____ as CONTRACTOR’S professional(s) responsible for overseeing the Services provided by CONTRACTOR.
3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.
4. Compensation.
 - 4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding

anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed _____ dollars (\$.).

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the CITY other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached

hereto as **Exhibit “B”** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured’s CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR’s employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers’ Compensation coverage for any of CONTRACTOR’s employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers’ compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of “A:VII”). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of

CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A. Indemnification Design Professionals.

8A.01 In the event that CONTRACTOR is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, CONTRACTOR shall indemnify, and hold harmless the City, its officers, employees, trustees and members (“Indemnified Parties”) from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney’s and consultants’ fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death (“Claim(s)”), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of CONTRACTOR, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to CONTRACTOR shall not exceed CONTRACTOR’S proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days’ written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to

CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____

By: _____

Print Name: _____

Title: _____

**City of Beaumont
Request for Proposal**



Professional Auditing Services