



# **CITY OF PIEDMONT REQUEST FOR PROPOSALS PROFESSIONAL FINANCIAL AUDITING SERVICES**

**SUBMISSION DEADLINE**

April 22, 2024 at 5 p.m.

City of Piedmont

120 Vista Avenue

Piedmont, CA 94611

**CONTACT PERSON**

Michael Szczech

Finance Director

Tel 510.420.3040

[MSzczech@piedmont.ca.gov](mailto:MSzczech@piedmont.ca.gov)

## **GENERAL INFORMATION**

The City of Piedmont is a community of approximately 11,300 residents located in the beautiful Oakland Hills overlooking San Francisco Bay. The community, which is virtually built out, consists of established, quality single-family homes on quiet, tree-lined streets. Although the City has a small commercial district, Piedmont is almost entirely zoned for single-family dwelling residential use and relies primarily on property and voter-approved parcel taxes.

Piedmont is a full-service charter city operating under a City Council/Administrator form of government. Five Council members are elected at-large on a nonpartisan basis to staggered, four-year terms. The Council elects a mayor and vice-mayor from among its members, and City officials are appointed by the City Council. The departments within the City include Administration, Communications, Public Works, Planning & Building, Police, Fire and Recreation. The City also operates KCOM-TV Channel 27, a government/educational access station. The City employs approximately 100 full-time employees, operates with an annual General Fund budget of \$36.7 million, and enjoys an outstanding team of public servants that prides itself on delivering quality and customer-focused services to the community.

The City of Piedmont's intent is to enter into a contract for professional auditing services for a term of three years, subject to satisfactory performance, with potential one-year extensions for two additional years. The three year period begins with fiscal years ending June 30, 2024 through June 30, 2026. Proposal submissions shall be addressed to Finance Director Michael Szczech and must be received at the Administration Office, City Hall, 120 Vista Avenue, Piedmont, California 94611 no later than 5 p.m. on April 22, 2024.

## **SCOPE OF WORK**

### **A. General**

The City of Piedmont is soliciting the services of qualified firms of certified public accountants with experience and interest to audit all funds of the City of Piedmont. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Government Accountability Office's (GAO) Government Auditing Standards (GAS), the provisions of the Federal Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and non-profit organizations.

The City uses Caselle Connect Software for its financial transaction processing (including accounts payable, payroll, asset management, and general ledger). The City maintains approximately 40 funds, including a closed Police & Fire Pension Trust.

The Finance Department staff and responsible management personnel will be available during the audit process to assist the firm by providing information, documentation and explanations. The firm will be expected to coordinate their services with the Finance Director and should endeavor to accomplish the audit on a phased basis throughout the year to reduce the year-end workload on the City's staff.

The firm shall submit for management review a draft of all reports. The final reports are subject to review by the Audit Committee and City Council. The firm shall incorporate, as part of the

basic proposal, meeting time with Staff, the Audit Committee and City Council for the purpose of discussing the Audits, Management Letter and its conclusions.

The selected firm receiving the contract for audit services shall procure and maintain, for the duration of the contract, insurance as required in the City's standard consulting services contract (see Exhibit A). A City business license while conducting any work under this agreement is also required.

#### **B. Key Elements of Work to be Performed**

The combined financial statements shall be compiled by the Auditors from the City's electronic financial records. The Auditors will perform a financial and compliance audit to express an opinion on the fair representation of the City's basic financial statements in conformance with generally accepted accounting principles.

The Auditors will examine the combined financial statements of the City for the years ending June 30, 2024, June 30, 2025, and June 30, 2026 with the City's option to extend to June 30, 2027 and June 30, 2028. The City's internal accounting controls and accounting procedures will be reviewed and verified. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards. The Auditors will render written reports of their findings and recommendations to the Audit Committee and City Council.

The Auditor shall communicate in a letter to the Audit Committee, City Council and the City Administrator 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 City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

#### **C. Annual Reports Required**

- A report is to be issued on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and in accordance with generally accepted auditing standards.
- Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Calculation.
- Independent Auditors' financial statements and report on compliance requirements required under the agreement with the Alameda County Transportation Commission that are applicable to Measure BB and Measure F funds received.
- Independent Auditors' Agreed Upon Procedures Report on Compliance with California Vehicle Code Section 40200.3 Parking Citation Processing.
- Independent Auditors' Report on 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.

- Preparation of City's Annual Financial Transaction Report (SCO).
- Independent Auditors' financial statements and report on compliance requirements required under the agreement with projects funded by the State of California Transportation Development Act (TDA).
- A Management Letter addressed to the City Council recommending improvements to the City's internal controls that are otherwise non-reportable.

## **TIME REQUIREMENTS & COMMITMENTS**

### Interim Work

City requests that interim work begin no later than July 21 of each year. City staff will produce the confirmation letters drafted by the Auditors during the interim.

### Audit Field Work

Audit field work is to be completed by mid November of each year.

### Draft Reports

The following draft reports are due to the Finance Director by December 31 of each year:

- Basic Financial Statements
- Proposition 111 Gann Limit Calculation
- Measure BB Report
- Measure F Report
- Parking Citation Process Report
- SCO Report
- Management Letter
- Single Audit Report (if needed)
- TDA report (if needed)

### Final Reports

Final reports are due by January 31 of each year.

## **PROPOSAL REQUIREMENTS**

Proposal submissions shall encompass the following and not exceed a total of 25 pages:

- A. Cover Letter
  - a. A brief statement of intent to perform the services solicited.
  - b. Signature of an authorized officer of the firm with authority to enter into a contract with the City of Piedmont.
  - c. Full contact information for the individual designated as the primary point of contact for this RFP.
  - d. A statement that the firm is properly licensed to practice as a certified public accounting firm in California.
  - e. A statement that the firm meets the independence requirements of the Standards for Audit of Government Organizations, Programs, Activities and

Functions published by the Comptroller General of the United States.

- f. A description of the firm's participation in the "Peer Review" program, including the date and extent of the local office's last participation.

**B. Technical Proposal**

- a. **Qualifications, Related Experience and References**
  - i. A brief profile of the firm including the types of services offered, the year founded, form of the organization (corporation, partnership, sole proprietorship), location of the firm's office/s, and number of employees.
  - ii. A general description of the firm's financial condition and ability to complete the project.
  - iii. The firm's prior experience performing auditing services for governmental agencies.
  - iv. A list of not less than five client references for whom similar services have or are currently being provided, including agency, primary point of contact, a description of services, phone number, address and email.
  
- b. **Proposed Staffing**
  - i. The firm's proposed audit team designated to perform the work, including the engagement partner and other key personnel to be assigned to the City.
  - ii. Resumes for each team member, including title, education, professional certifications, prior similar engagements, years of experience.
  - iii. Acknowledgement that key personnel will not be removed or replaced without prior written concurrence of City.
  - iv. A complete description of the proposed quality assurance plan.
  
- c. **Work Plan**
  - i. A timeline of major milestones from commencement to presentation of the final deliverables to the Piedmont City Council.
  - ii. A schedule of audit hours to accomplish the reports identified in the RFP.
  - iii. The position and estimated hours for each team member to accomplish the services for each of the respective years.
  
- d. **Fee**
  - i. A five year audit fee package shall incorporate all expenses (travel, data entry, clerical and printing costs)
  - ii. A fixed fee is to be presented in the following format:

<b>Fiscal Year Ending</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027 Option</b>	<b>2028 Option</b>
Basic Financial Statements					

<b>Fiscal Year Ending</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027 Option</b>	<b>2028 Option</b>
Appropriations Limitation Agreed Upon Procedures					
Measure BB					
Measure F					
Parking Citation Agreed Upon Procedures					
Financial Transactions Report (SCO)					
Single Audit (if applicable)					
TDA (if applicable)					

Right to Negotiate Fees. The City maintains the right to negotiate fees with the selected firm before entering into a contract for services.

C. Delivery of Proposals

Sealed proposals must be received no later than the date and time specified in the Schedule of Events. Late proposals will not be accepted. Four (4) printed copies are required.

**PROPOSAL SUBMISSION DEADLINE**

All proposals must be received by the City of Piedmont by no later than 5:00 pm on Monday, April 22, 2024.

**TENTATIVE SCHEDULE OF EVENTS**

RFP Posting	March 25, 2024
Proposal Submission Deadline	April 22, 2024 at 5 p.m.
City Notification of Firms for Interview	Early May 2024
Interview with Selection Panel	May 2024
Final Selection Announced	Early June 2024

**SELECTION PROCESS**

A committee will be involved in the proposal review process and interviews. The committee will consider a variety of factors in recommending the selected firm to the City Council, including evaluating the proposals for adherence to the requirements of the RFP.

The following are several criteria that will be used in the evaluation of proposals, the relative importance of each is not determined by the order shown:

- Understanding of the engagement and the City's needs.
- Experience of the firm and the proposed individuals to be assigned to the audit with performing audits of cities, which are similar in scope.
- Resources available for the timely completion of the audit and scheduling of the work.
- References from similar engagements.
- Cost of services.

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

**ADDITIONAL INFORMATION**

FY 2023–24 City of Piedmont Budget

[https://piedmont.ca.gov/services\\_departments/finance/annual\\_budgets](https://piedmont.ca.gov/services_departments/finance/annual_budgets)

FY 2022-23 City of Piedmont Audited Financial Statements:

[http://www.ci.piedmont.ca.us/html/govern/staffreports/2014-02-03/12-13\\_audit.pdf](http://www.ci.piedmont.ca.us/html/govern/staffreports/2014-02-03/12-13_audit.pdf)

**CONTACT PERSON**

Questions regarding this RFP may be directed to Michael Szczech, Finance Director, Tel 510.420.3040, MSzczech@piedmont.ca.gov.

[Exhibit A:](#)  
City of Piedmont Sample Contract

This Contract made [REDACTED] ("Effective Date"), between the City of Piedmont, California, a municipal corporation, 120 Vista Avenue, Piedmont, California 94611, ("City") and [REDACTED], ("Independent Contractor").

1. City is a municipal corporation which needs certain services and software as more specifically set forth hereafter.
2. Independent Contractor agrees to provide these services and software to the City under the terms and conditions set forth in this Contract ("Contract").

3. Services

Independent Contractor shall provide the services as set forth in Exhibit # attached hereto and incorporated herein [OR INSERT OTHER DESCRIPTION OF SERVICES TO BE PROVIDED].

4. Compensation

- a. City will pay the Independent Contractor the lump sum of: [REDACTED] dollars for the services described in Section 3 above. City shall issue payment within 30 days of the satisfactory completion of the services described in Section 3 above.

5. Term

This contract shall begin on the Effective Date. Unless otherwise terminated as provided in this Contract, this Contract shall terminate [REDACTED] from the Effective Date.

6. Contractual Relationship

The parties intend that an independent contractor-employer relationship will be created by this Contract. City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with Independent Contractor. Independent Contractor is not to be considered an agent or employee of City for any purpose, and neither Independent Contractor nor any employees of Independent Contractor are entitled to any of the benefits that City provides for City's employees. It is understood that City does not agree to use Independent Contractor exclusively. It is further understood that Independent Contractor is free to contract for similar services to be performed for other cities, persons or entities during the term of the Contract. Independent Contractor shall be fully responsible for all income, social security or other taxes or deductions, including but not limited to worker's compensation and unemployment deductions, relating to the services it performs for City.



7. Indemnity and Hold Harmless

To the fullest extent permitted by law, Independent Contractor shall defend (with legal counsel reasonably acceptable to City), indemnify and hold harmless City and its officers, elected officials, employees, agents, and volunteers (collectively "Indemnitees") from and against any and all liability, claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Independent Contractor or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, reasonable court costs and attorneys fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith, and costs of investigation) ("Liability"), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Contract by Independent Contractor or by any individual or entity for whom Independent Contractor is legally liable, including but not limited to, officers, agents, employees, subcontractors or consultants of Independent Contractor.

For design professionals (as that term is defined by Civil Code § 2782.8) acting within the scope of their professional capacity, to the fullest extent permitted by law, Consultant shall, at its own expense, indemnify, protect, defend (by counsel reasonably satisfactory to the City) and hold harmless any Indemnitees from and against any and all Liability, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, or as may be provided by statute in Civil Code § 2782.8, as may be amended from time to time.

Neither termination of this Contract nor completion of the services shall release Independent Contractor from its obligations under this Section 7, as long as the event giving rise to the claim, loss, cost, damage, injury, expense or liability occurred prior to the effective date of any such termination or completion, and this section shall survive the termination of the Contract.

8. Insurance

The following minimum levels of insurance coverage shall be provided during the term of this Contract. Prior to the execution of the Contract, Independent Contractor shall provide proof of insurance required. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Independent Contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Independent Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$2,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation: as required by the State of California, with Statutory Limits.
4. Professional Liability (Errors & Omissions): As appropriate to Independent Contractor's services, and not less than \$2,000,000 per occurrence.

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

The City of Piedmont, its Council Members, directors, officers, agents and employees shall be named as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Independent Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Independent Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

For any claims related to this contract, Independent Contractor's insurance coverage shall be primary insurance coverage (at least as broad as ISO CG 20 01 04 13) with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Independent Contractor's insurance and shall not contribute with it.

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

Independent Contractor shall require the insurer to provide City with 30-day prior notice of termination or material change in coverage and ten (10) days prior notice of

cancellation for non-payment.

9. Assignability

Independent Contractor shall not assign, delegate, or transfer any interest in this agreement nor the performance of any Independent Contractor's obligations hereunder, without the prior written consent of the City.

10. Miscellaneous

As used in this Contract, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

11. Notices

Any notices to be sent pursuant to this Contract shall be given in writing, via facsimile and concurrently by prepaid U.S. certified or registered postage addressed to City at 120 Vista Avenue, Piedmont, California 94611, and to Independent Contractor at [REDACTED], or at such other address as each party shall give the other in writing from time to time, and notices shall be deemed received at the time of personal delivery or three (3) working days after being placed in the United States Mail, postage prepaid, certified mail, return receipt requested.

12. Governing Law

This Contract shall be governed by the laws of the State of California. Jurisdiction and venue of litigation arising from this Agreement shall be in the County of Alameda, State of California.

13. Modification

Any modification of this Contract will be effective only if it is in writing signed by all parties to this Contract.

14. Time is of the Essence

Time is of the essence in the performance of this Contract.

15. Termination

The following provisions shall govern termination under this Contract:

a. Either party may terminate this Contract for cause as follows:

- (1) The party electing to terminate shall give the other party written notice of termination at least five (5) days prior to the termination date, setting forth very specifically the grounds for termination, the specific

provisions of the Contract that has been violated, and a full statement of the facts surrounding the violation(s).

- (2) If the terminated party so elects, the parties shall meet promptly and make good faith efforts to resolve the violation(s) in a mutually agreeable way.
  - (3) If any such violation cannot be resolved by the parties at such meeting, or at any mutually agreed extension(s) of such meeting, the termination shall proceed.
  - (4) If the violation(s) have not been resolved, the terminating party may proceed with termination, and with retaining other person(s) or entities to provide services, if the terminating party is the City.
- b. Either party may terminate the Contract at any time without cause upon at least sixty (60) days prior written notice to the other party. In the event of any such termination by City, Independent Contractor shall be paid for services actually performed through the date of termination, and Independent Contractor's work shall be immediately discontinued as of that date, except that City may elect, at City's option, to have Independent Contractor complete one or more projects or specific activities which are then in progress, in which case Independent Contractor shall be paid for such services until completion. If terminated by Independent Contractor, any assignment accepted by Independent Contractor prior to the notice of termination shall be completed if desired by City.

16. Equal Opportunity

Independent Contractor shall insure that its policies and practices provide equal opportunity to all applicants and employees without regard to race, color, creed, gender, age, religion, national origin, sexual preference, gender identity, marital status, disability, Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC) and in addition, Independent Contractor must comply with the Americans with Disabilities Act.

17. Compliance with Laws

Independent Contractor shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations. Independent Contractor represents and warrants to City that it has and shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Contract any licenses, permits, insurance and approvals which are legally required for Independent Contractor to practice its profession.

18. Entire Agreement

This Contract constitutes the entire agreement of the parties with respect to the matters set forth herein. Any amendments, modifications, or changes to this

Agreement shall be in writing and signed by both parties. In the event of a conflict between the terms set forth in this Contract and the terms set forth in any exhibit to this Contract, the terms of this Contract shall govern over the terms of any exhibit.

19. Ownership of Documents

All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Independent Contractor, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City, upon payment to Independent Contractor for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Independent Contractor or to any other party. Independent Contractor shall, at Independent Contractor's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Independent Contractor are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

20. Licenses

Independent Contractor represents and warrants that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Independent Contractor to practice its profession. Independent Contractor represents and warrants to City that Independent Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Independent Contractor to practice its profession.

actor to practice its profession.

21. Waiver

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Contract at Piedmont, California, the day and year first above written.

CITY OF PIEDMONT:

[INDEPENDENT CONTRACTOR]:

By: \_\_\_\_\_  
[Mayor or City Administrator]

By: \_\_\_\_\_  
[Title]

Attest:

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Anna M. Brown, City Clerk

Approved as to form:

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Michelle Marchetta Kenyon, City Attorney  
Deepa Sharma, Assistant City Attorney