



**CITY OF GREENFIELD
REQUEST FOR PROPOSAL (RFP)
FINANCIAL AUDIT SERVICES**

Proposal Issued

July 24, 2024

Proposal Due

August 22, 2024

To:

Paul Wood, City Manager
City of Greenfield
599 El Camino Real
Greenfield, California 93927

FINANCIAL AUDIT SERVICES

GENERAL INFORMATION

The City of Greenfield is a General Law City in the State of California, and is in the heart of the Salinas Valley, formed by the Gabilan Mountains to the east and the Santa Lucia Mountains to the west. Located in Monterey County, Greenfield is approximately 135 miles south of San Francisco, 95 miles south of San Jose, and 60 miles north of Paso Robles. Incorporated in 1947, the City has a total area of 2.1 square miles and operates with a Council-Manager form of government.

The City of Greenfield's intent is to enter into a contract for professional auditing services for a term of three fiscal years, subject to satisfactory performance, with potential extensions for two additional years. The three-year period begins with fiscal years ending June 30, 2023 through June 30, 2025. Proposal submissions shall be addressed to City Manager Paul Wood and must be received at the City Hall, 599 El Camino Real, Greenfield, California 93927 no later than 5 p.m. on August 22, 2024.

SCOPE OF WORK

A. General

The City of Greenfield is soliciting the services of qualified firms of certified public accountants with experience and interest to audit all funds of the City of Greenfield. 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 Tyler (ERP Pro 10) enterprise resource planning software for its financial transaction processing (including accounts payable, payroll, utility billing, and general ledger). The City maintains approximately 40 funds, including Police & Fire funds.

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 Assistant Administrative Services 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 City Manager. The firm shall incorporate, as part of the basic proposal, meeting time with City staff and the City Manager 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, 2023, June 30, 2024, and June 30, 2025, with the City's option to extend to June 30, 2026, and June 30, 2027. 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 City Manager.

The Auditor shall communicate in a letter to the City Manager 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

- An Annual Comprehensive Financial Report (ACFR) shall be prepared 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.
- Annual Street Report (ASR) to the State Controller's Office (SCO) on or before December 1 of each year, pursuant to section 2151 of the California Streets and Highways Code.
- Independent Auditors' financial statements and report on compliance requirements required under the agreement with the Transportation Agency for Monterey County (TAMC) that are applicable to Measure X funds received and used.
- 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 to SCO.
- A Management Letter addressed to the City Council recommending improvements to the City's internal controls that are otherwise non-reportable.

TIME REQUIREMENTS & COMMITMENTS

Audit of FY 22-23 & FY 23-24

City requests that audit of FY 2022-2023 to begin October 1, 2024, and to be completed February 28, 2025.

City requests that audit of FY 2023-2024 to begin March 15, 2025, and to be completed June 30, 2025.

Audit of FY 24-25

Interim Work

City requests that interim work begin no later than May 15 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 September 30 of each year.

Draft Reports

Draft audit reports are due to the City by November 15th to allow for review.

Final Reports

The final audit report shall be issued no later than December 31st of each year.

Other reports described in the Scope of Services shall be submitted to the City in a timely manner to allow for City review and finalization prior to the deadline for each report.

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 Greenfield.
- 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

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 Greenfield by no later than 5:00 pm on Thursday, August 22, 2024.

TENTATIVE SCHEDULE OF EVENTS

RFP Posting	July 24, 2024
Proposal Submission Deadline	August 22, 2024 at 5 p.m.
City Notification of Firms for Interview	August 28, 2024
Interview with Selection Panel	First week of September 2024
Final Selection Announced	Second week of September 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.

All proposals received will be evaluated using the following criteria:

Criterion	Weight (x)
Understanding of the agreement and the City's needs.	(20%)
Experience of the firm and the proposed individuals to be assigned to the audit with performing audits of cities, which are similar in scope.	(20%)
Resources available for the timely completion of the audit and scheduling of the work.	(25%)
References from similar engagements.	(15%)
Cost of services.	(20%)
TOTAL	100%

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.

CONTACT PERSON

Questions regarding this RFP may be directed to Evelyn Mullen, Assistant Administrative Services Director, Tel 831-674-5591, emullen@ci.greenfield.ca.us.

CITY'S RIGHTS RESERVED

The City reserves the right to reject any and all proposals in its discretion, to waive any informality in a proposal, to reject the proposal of any proposer who has been delinquent or unfaithful in any former contract with the City, and to make awards in the interest of the City.

WITHDRAWAL OF PROPOSAL

A proposal may be withdrawn by the proposer by means of a written request, signed by the proposer or proposer's properly authorized representative. Such written request must be delivered to the place stipulated in this RFP for receipt of proposals prior to the scheduled closing time for receipt of proposals. After the deadline for submittal of proposals, a proposal may not be withdrawn for any reason for at least sixty (60) days.

MODIFICATIONS AND ALTERNATIVE PROPOSALS

Unauthorized conditions, limitations, or provisions attached to a proposal will render a proposal incomplete and non-responsive and may cause its rejection.

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

This Contract made _____ (“Effective Date”), between the City of Greenfield, California, a municipal corporation, 599 El Camino Real, Greenfield, California 93927, (“City”) and _____, (“Independent Contractor”).

1. City is a municipal corporation which needs to obtain the services of qualified firms of certified public accountants to perform audit services 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.

2. Independent Contractor agrees to provide these services 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 A attached hereto and incorporated herein.

4. Compensation

- a. City will pay the Independent Contractor the lump sum of: _____ 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 upon the completion and delivery of the three fiscal years audit and related reports provided any extensions are not exercised and delivered.

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.

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 \$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

4. Professional Liability (Errors & Omissions): As appropriate to Independent Contractor's services, and not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

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

The City of Greenfield, 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 599 El Camino Real, Greenfield, California 93927, and to Independent Contractor at _____, 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 Monterey, 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 violations(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. Non-Discrimination

Independent Contractor shall not unlawfully discriminate in the contracting or hiring of persons under this Contract because of race, color, national origin, age, ancestry, religion, sex, or sexual orientation.

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 always obtain 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 always obtain during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Independent Contractor 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 Greenfield, California, the day and year first above written.

CITY OF GREENFIELD:

[INDEPENDENT CONTRACTOR]:

By: _____
Paul Wood, City Manager

By: _____

Attest:

Ann Rathbun, City Clerk

Approved as to form:

Jennifer Thompson, City Attorney

EXHIBIT A: SCOPE OF SERVICES

1. Annual Financial Reports

The City of Greenfield desires financial statements for the City to be prepared by the independent auditor and to be fully compliant with all applicable GASB statements.

The audit firm will perform an audit of all funds of the City. The audit will be conducted in accordance with all applicable auditing standards.

The Annual Financial Reports will be prepared and word processed by the audit firm, including Government-wide Financial Statements, Fund Financial Statements, note disclosures, required supplementary information (RSI), and combining financial statements.

The audit firm will render their auditor's report on the basic financial statements, which will include both Government-wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information (RSI) pertaining to the General Fund and each major fund of the City, which will be prepared by the City staff.

2. Single Audit

When required, the audit firm will perform a single audit on the expenditures of federal grants in accordance with U.S. Office of Management and Budget Grant Guidance/Super Circular and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with government auditing standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards. The single audit report will include the appropriate schedule of expenditures of federal awards, footnotes, findings, and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.

3. Appropriations Limit

The audit firm shall perform agreed-upon procedures pertaining to the City's Article XIII B Limit (Appropriations Limit) and render a letter annually to the City regarding compliance.

4. Measure X Annual Compliance Audit

The City of Greenfield's Measure X or Transportation Safety and Investment Plan Account Fund is reported in the City's Annual Financial Reports as a Special Revenue Fund. The City requires the audit firm to prepare a separate Annual Financial Report for the Transportation Agency for Monterey County (TAMC). The Measure X funding agreement with local jurisdictions requires each recipient to undergo an annual financial audit and submit by December 31 of each year for prior year fiscal ending June 30 of Measure X funds received and used (with the exception of FY 22-23).

5. Preparation and submission of Annual Streets Report (ASR)

The audit firm will prepare and submit the ASR to the State Controller's Office (SCO) on or before December 1 of each year. This is in pursuant to section 2151 of the California Streets and Highways Code (with the exception of FY 22-23).

6. Preparation and submission of City Financial Transactions Report (FTR)

The audit firm will prepare and submit the City FTR to the State Controller's Office (SCO) on or before January 31 of each year (with the exception of FY 22-23).

Government Code (GC) section 53891 requires that the financial transactions of each local agency be submitted to SCO within seven months after the close of the fiscal year.

7. Management Report

The auditors shall observe the adequacy of the systems of internal control, accounting procedures, and other significant observations. The audit firm shall issue a separate management letter that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered non-reportable conditions. Management letters shall be addressed to the City Manager.

8. Additional Consultation

The audit firm may be consulted throughout the year as an information resource and may be asked to provide guidance on implementing federal and state regulations as they may affect local government accounting. This would not include any task that entails significant research or a formal report.

It is expected that the audit firm will keep the City informed of new guidance and developments that may affect municipal accounting and finance.

The audit firm shall be available to the management to answer questions related to audit findings.