

PROFESSIONAL SERVICES AGREEMENT
(Not Construction Related)
for External Audit Services (RFP 24-35)

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and CliftonLarsonAllen, LLP, a Limited Liability Partnership, authorized to do business in the State of Arizona, ("Consultant") as of the 23rd day of April, 2024 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, Project (the "Project");
- B. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit B**, Project Scope of Work ("Scope");
- C. Consultant desires to provide City with professional services ("Services") consistent with best consulting or architectural practices and the standards set forth in this Agreement, in order to complete the Project; and
- D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

- 1.1 Professional Services. Consultant will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.
 - c. Discharge, Reassign, Replacement.
 - (1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
 - (2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.

(3) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

d. Subcontractors. Consultant shall not engage any subcontractor for the work or services to be performed under this Agreement.

2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Consultant's Work.**

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Consultant warrants that:

a. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and

b. Neither Consultant nor any Subconsultant has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").

(1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.

(2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

3.3 Compliance.

a. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

b. Consultant must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Consultant will require any Sub-contractor to be bound to the same requirements as stated within this section. Consultant, and on behalf of any subcontractors, warrants compliance with this section.

3.4 Coordination; Interaction.

a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").

b. Subject to any limitations expressly stated in the Project Budget, Consultant will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.

c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
 - (3) In such case, City will also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

- 4.1 Compensation. Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed \$790,000.00 as specifically detailed in **Exhibit C** ("Compensation").
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
 - a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Consultant without prior written authorization from the City.
 - c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.
- 4.3 Expenses. City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation, postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:
 - a. Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;
 - b. The Reimbursable Expenses in this section are approved in advance by City in writing; and

- c. The total of all Reimbursable Expenses paid to Consultant in connection with this Agreement will not exceed the “not to exceed” amount identified for Reimbursable Services in the Compensation.

5. Billings and Payment.

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Conflict. Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating,

securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.** For the duration of the term of this Agreement, Consultant shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such insurance shall cover Consultant, its agent(s), representative(s), employee(s) and any subcontractors.

8.1 Minimum Scope and Limit of Insurance. Coverage must be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than **\$1,000,000** per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
- c. Professional Liability. Consultant must maintain a Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone for whose acts, mistakes, errors and omissions Consultant is legally liability, with a liability insurance limit of \$2,000,000 for each claim and a \$4,000,000 annual aggregate limit.
- d. Worker's Compensation: Insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.

8.2 Indemnification.

- a. To the fullest extent permitted by law, Consultant must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties") for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense" collectively "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Consultant) and that arises out of or results from the breach of this Agreement by the Consultant or the Consultant's negligent actions, errors or omissions (including any Subconsultant or Subcontractor or other person or firm employed by Consultant), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Consultant will be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Consultant or of any person or entity for whom Consultant is responsible.
- c. Consultant is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

8.3 Other Insurance Provisions. The insurance policies required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. **The City, its officers, officials, employees and volunteers are to be covered as additional insureds** of the CGL and automobile policies for any liability arising from or in

connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such liability may arise, but is not limited to, liability for materials, parts or equipment furnished in connection with any tasks, or work performed by Consultant or on its behalf and for liability arising from automobiles owned, leased, hired or borrowed on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.

- b. For any claims related to this Project, the **Consultant's insurance coverage shall be primary insurance** 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 in excess of the Consultant's insurance and shall not contribute with it.
- c. Each insurance policy required by this Section shall provide that coverage shall not be canceled, except after providing notice to the City.

8.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless the Consultant has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.

8.5 Waiver of Subrogation. **Consultant hereby agrees to waive its rights of subrogation which any insurer may acquire** from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agent(s) and subcontractor(s).

8.6 Verification of Coverage. Within 15 days of the Effective Date of this Agreement, Consultant shall furnish the City with original certificates and amendatory endorsements, or copies of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Consultant's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of all required insurance policies, including any endorsements or amendments, required by this Agreement at any time during the Term stated herein.

Consultant's failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Consultant to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.

8.7 Subcontractors. Consultant shall require and shall verify that all subcontractors maintain insurance meeting all requirements of this Agreement.

8.8 Special Risk or Circumstances. The City reserves the right to modify these insurance requirements, including any limits of coverage, based on the nature of the risk, prior experience, insurer, coverage or other circumstances unique to the Consultant, the Project or the insurer.

9. **E-verify, Records and Audits.** To the extent applicable under A.R.S. § 41-4401, the Consultant warrants their compliance and that of its subconsultants with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Consultant or subconsultant's breach of this warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by the City under the terms of this Agreement. The City retains the legal right to randomly inspect the papers and records of the other party to ensure that the other party is complying with the above-mentioned warranty. The Consultant and subconsultant warrant to keep their respective papers and records open for random inspection during normal business hours by the other party. The parties shall cooperate with the City's random inspections, including granting the inspecting party entry rights onto

their respective properties to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

10. **No Boycott of Israel.** To the extent A.R.S § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of the Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S § 35-393.

11. **Uyghur Forced Labor Prevention Act (UFLPA).** Consultant certifies that it does not currently, and during the term of this Agreement, will not use:

- a. the forced labor of ethnic Uyghurs in the People's Republic of China;
- b. any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and
- c. any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

12. **Attestation of PCI Compliance.** When applicable, the Consultant will provide the City annually with a Payment Card Industry Data Security Standard (PCI DSS) attestation of compliance certificate signed by an officer of Consultant with oversight responsibility.

13. **Notices.**

13.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- a. The Notice is in writing; and
- b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
- c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

13.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Jean Marie Dietrich
Signing Director
20 East Thomas Road, Suite 2300
Phoenix, AZ 85012
jean.dietrich@CLAconnect.com
(602) 604-3550

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Connie Schneider
5850 W Glendale Ave
Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.
 - (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
 - (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
 - (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.
- d. Changes. Consultant or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

14. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

15. **Entire Agreement; Survival; Counterparts; Signatures.**

15.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

15.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

- 15.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.
- 15.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.
- 15.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- 15.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.
- 15.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

16. Term.

- 16.1 Extensions. The term of this Agreement commences upon the effective date and continues for a two (2) year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this Agreement an additional three (3) years, on an annual basis. Consultant will be notified in writing by the City of its intent to extend the Agreement period at least thirty (30) calendar days prior to the expiration of the original or any extension period. Price adjustments will only be reviewed prior to the City exercising its extension and may be a determining factor for any extension. There are no automatic extensions or renewals of this Agreement.
- 16.2 Extension for Procurement Process. Upon the expiration of the Term of this Agreement, including the initial term and any renewals, at the City’s sole discretion, this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the City to complete its procurement process to select a vendor to provide the services/materials similar to those provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension provided under this subsection will continue under the same terms and conditions as in effect immediately prior to the expiration of the then-current term.

17. Dispute Resolution. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered according to the American Arbitration Association’s Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

18. Cooperative Use of Contract. This agreement may be extended for use by other governmental agencies and political subdivisions of the State. Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City. For a list of SAVE members, click on the following link: <http://www.mesaaz.gov/business/purchasing/save>

19. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

- Exhibit A Project
- Exhibit B Scope of Work
- Exhibit C Compensation

(Signatures appear on the following page.)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Kevin R. Phelps
Its: City Manager

ATTEST:

Julie K. Bower (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

CliftonLarsonAllen, LLP,
a Limited Liability Partnership

DocuSigned by:
Jean Marie Dietrich 4/12/2024

47059F513DAC4FB...
By: Jean Marie Dietrich
Its: Signing Director

EXHIBIT A
Professional Services Agreement

PROJECT

Consultant shall perform the services as defined in the RFP 24-35 documents.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

3. SCOPE OF SERVICES

A. The selected CPA Firm(s) shall be required to perform financial statement and compliance audits in accordance with U.S. generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as applicable, and conduct annual expenditure limitation report examinations in accordance with the attestation standards established by the AICPA.

B. State of Arizona Uniform Expenditure Reporting System requirements (UERS) mandated by the A.R.S. §41-1279.07, with guidelines set forth by the Arizona Auditor General.

C. The selected CPA Firm(s) may be required to perform certain additional auditing procedures of financial transactions in connection with the financial and compliance audits for the first year of the contract at the Office's request. Within 10 days of notice from the Office of additional auditing procedures required, the firm shall provide the Office a written estimate of the hours necessary to perform the additional auditing procedures. The firm shall not commence work on the additional auditing procedures until the Office provides written approval of the hours estimated. Costs for any additional auditing procedures shall be paid at the hourly rate submitted by the firm pursuant to the PRICING WORKBOOK. In completing any additional auditing procedures, the firm shall submit a written statement to the Office describing all deficiencies and errors noted as a result of the additional auditing procedures performed. If the Office exercises its option to extend the contract, the firm may be required to apply these same or other auditing procedures for each option year.

D. Reports

The selected CPA Firms must prepare reports at the completion of each audit and examination according to U.S. generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Uniform Guidance; and the attestation standards established by the AICPA, as applicable.

1. A schedule of findings, recommendations, and questioned costs.
2. A summary schedule of prior audit findings and corrective action plan.
3. An attestation on Housing and Urban Development Financial Data Schedule (FDS) data as to its "fair presentation in relation to audited basic financial statements" in accordance with the audit provisions of the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 29, Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents. Please note that the City's housing office maintains their own general ledger.
4. Auditor's letter of Communication (under SAS114) to management.
5. Preparation of the Annual Expenditure Limitation Report (AELR) which includes an independent auditor's report on the AELR prepared in compliance with A.R.S. §41-1279.07. Note, the City's Highway User Revenue Fund (HURF) used to account for monies received pursuant to A.R.S Title 28, Chapter 18, Article 2 is not a major fund. As such a separate Compliance examination report is needed in determination of HURF monies are being used solely for transportation purposes.
6. Agreed-upon procedures with respect to the City's compliance with the financial test option for its landfill as included in the Code of Federal Regulations (CFR) Subpart G, Title 40, Part 258, Section 74 (40 CFR 258.74).

7. Preparation of Internal Revenue Service Form 990 for the City's Municipal Property Corporation.

E. Additional Reporting Considerations

1. In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition is 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 or which could adversely affect the organization's ability to comply with federal laws and regulations.

2. Reportable conditions that are individually or cumulatively material weaknesses shall be identified as such in the report.

3. Deficiencies in internal control that are not reportable conditions that are detected by the auditors shall be reported in the separate letter of recommendations to management, which shall be referred to in the reports on internal controls.

4. Irregularities and Illegal Acts Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Chief Financial Officer.

5. Reporting to the Management Auditors shall ensure that the Finance Director is informed of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments 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

F. Special Considerations

1. The auditor will be required to audit the Annual Expenditure Limitation Report and issue the respective reports thereon.

2. The City sends its ACFR 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 review the financial statements against the Certificate Program checklist to ensure compliance with the requirements of that program.

3. The City anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor may be required, if requested by the City, to issue a "consent and citation of expertise" as the auditor and to issue any necessary "comfort letters."

4. The City has determined that the United States Department of Housing & Urban Development ("HUD") functions as the oversight agency in accordance with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

5. The schedule of expenditures of federal awards and related auditor's report, as well as the reports on the internal controls and compliance, are not to be included in the ACFR, but are to be issued separately. Also, the City must file electronically with HUD Real Estate Assessment Center (REAC).

6. The City would like for the auditor to do some additional testing of the Risk Management, Worker's Compensation and Employee Benefits funds to make sure all policies are being followed and internal control are in place.

7. Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the City which retains the right to approve or reject replacements.

8. Other audit personnel may be changed at the discretion of the Offeror provided that replacements have substantially the same or better qualifications or experience, although the City does retain the right to approve or reject all audit staff assigned to the City.

G. Working Paper Retention and Access to Working Papers

1. All working papers and reports must be retained at the auditor's expense, for a minimum of 5 years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- The City of Glendale, Arizona
- The United States Department of Housing & Urban Development
- U.S. General Accounting Office
- The Arizona Auditor General
- Auditors of entities of which the City is a sub-recipient of grant funds
- Officials of federal or state departments that provide financial assistance to the City

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

H. Term

The term of the resultant contract shall be for a one (2) year initial term. The City may, at its option and upon mutual agreement with the Bidder(s), extend the term of this agreement for an additional four (4) years.

I. Changes in work

Significant changes in the scope, character, or complexity of the work may be negotiated if it is mutually agreed that such changes are desirable and necessary. Contract changes defining, increasing, or limiting the work and compensation must be authorized in writing by the Auditor General prior to performing work.

J. Time Requirements

- Work and Conference Schedule for the June 30, 2024, Fiscal Year Audit

The following are key dates relating to the City's preparation of the ACFR and the related audit and may be subject to change by mutual negotiated approval during the Contract period:

a) Week of April 30, 2024 – Entrance Conference

The purpose of this meeting will be to provide a preliminary review of the City's operations and to discuss 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 workspace and other needs of the auditor. At this meeting, the auditor shall provide a list of audit staff and their qualifications and a list of all interim schedules to be prepared by the City.

b) Week of May 21, 2024 – Detailed Audit Plan and preliminary Field Work

The auditor shall provide the City with a detailed audit plan and a list of all year-end schedules, including audit confirmation letters, to be prepared by the City.

- c) September 24, 2024 – Fieldwork Begins on or after this date
The Auditor to begin fieldwork on this date
- d) October 11, 2024 – Fieldwork is anticipated to End on or after this date
- e) November 21, 2024 - The City shall provide a draft of the complete ACFR
- f) December 2024 – Exit Conference on or after this date
The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.
- g) December 31, 2024 - The signed auditor’s opinion to be delivered to the Accounting Division
- h) March 2025 – Presentation in a voting session of the audit reporting package to the City Council as required under ARS.

A similar time schedule will be developed for the future fiscal years if the City exercises its option for those additional audits.

- Dates Final Reports, Schedules, And Statements Are Due

The auditor shall deliver the final signed reports, schedules and statements, and the letter of recommendations to the Chief Financial Officer, by each respective due date or earlier:

Report Description	Date
Auditor’s report on the financial statements	December 31
Single Audit reports	January 31
Landfill report	December 31
Auditor’s letter of recommendations to management	December 31
Auditor’s report on the AELR	February 28

The effort will cover fiscal years ending June 30, 2024, 2025, 2026 with the option of auditing its financial statements for each of the two subsequent fiscal years.

K. Assistance to be Provided to the Auditor and Report Preparation

- Finance Department

The Finance Department, especially the accounting division, staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations.

The City will prepare all working trial balances, supporting schedules, supporting working papers, and requests for confirmations as reasonably requested by the auditors, on a basis consistent with the timetable outlined in Section J above.

- Information System Assistance

Personnel will be available to provide systems documentation and explanations.

- Work Area, Telephone, Printing and Fax Machines

The City will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to a telephone line, printing facilities and FAX machines.

- Report Preparation and Binding

Report preparation, printing, and binding for the ACFR shall be the responsibility of the City. All other reports, schedules, and financial statements shall be printed and bound by the auditor. The City may request additional electronic copies that are to be provided in the most secure method identified at the time of the request.

L. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's pricing section of the proposal.

The interim billings shall cover the auditor's fieldwork.

Final billing shall cover the auditor's drafting and preparation of all reports, schedules, and financial statements requested in the RFP and include a schedule of charges by report and hours by report and charges per major grant.

Billing cycle will be 30 days. The final bill payment will be withheld pending delivery of all final reports, schedules, and financial statements as described in this solicitation.

M. Audit and engagement documentation

Audit and engagement documentation of the selected firms shall be retained for 5 years from the date of the final audit report and should be available, free of charge, for examination by authorized representatives of the cognizant or oversight agency, the U.S. Government Accountability Office, and the Office. If the firm does not desire to retain the documentation for such period, the firm shall give the documentation to the Office for safekeeping.

N. Qualifications and Independence

The CPA Firms must have no conflict of interest about any other work performed for the State of Arizona or auditees. The CPA Firms must also provide information on other areas that may result in independence issues, such as participation on a board or having a direct or indirect financial interest. The CPA Firms must submit this information using the Independence Disclosure Form in Attachment A to this Request for Proposal (RFP). If the Auditor General determines that an independence issue exists, the CPA Firms' proposal will not be considered. The Auditor General is the sole authority in determining whether any conflicts of interest or independence issues exist.

EXHIBIT C
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's pricing section of the proposal.

The interim billings shall cover the auditor's fieldwork.

Final billing shall cover the auditor's drafting and preparation of all reports, schedules, and financial statements requested in the RFP and include a schedule of charges by report and hours by report and charges per major grant.


Billing cycle will be 30 days. The final bill payment will be withheld pending delivery of all final reports, schedules, and financial statements as described in this solicitation..

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed \$790,000.

DETAILED PROJECT COMPENSATION

See the attached Exhibit C..

	City of Glendale Solicitation Number: RFP 24-35 / 42400052 EXTERNAL AUDIT SERVICES PRICING WORKBOOK	CITY OF GLENDALE Procurement Department 5970 West Brown Street, Suite 210 Glendale, Arizona 85302
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5. PRICING/COST WORKBOOK

Contractor must complete the Pricing Schedule below. Proposed pricing must not increase for the first two (2) Terms of the agreement or the first initial term whichever is greater. Any items not clearly listed on Contractor's submitted price proposal will be considered included in Contractor's price at no additional cost to the City. All pricing should contemplate compliance with the performance requirements as specified in the Scope of Work.

Instructions:

- a. The cost proposal must be submitted separately from the rest of the written proposal.
- b. Cost proposals shall be quoted as an all-inclusive fixed fee for services.
- c. All inclusive – covers all direct and indirect necessary expenses including but not limited to: travel, telephone, copying, and other out-of-pocket expenses.
- d. Not to Exceed – The actual fees shall not exceed the amount specified in fee proposal.


PRICE SCHEDULE

5.1 Annual Comprehensive Financial Report: Schedule of Professional Fees and Expenses

Description	Estimated Number of Hours (A)	Proposed Hourly Rate (B)	Proposed Total Dollars (A * B)
Partners	75	340	25500
Managers	80	240	19200
Supervisory Staff	105	150	15750
Staff	435	135	58725
Other (Clerical)	5	90	450
Other 5% Tech Fee			5981
Other			
Total	700		167024

5.2 Single Audit Report: Schedule of Professional Fees and Expenses

Description	Estimated Number of Hours (A)	Proposed Hourly Rate (B)	Proposed Total Dollars (A * B)
Partners	9	340	3060
Managers	9	240	2160
Supervisory Staff	27	150	4050
Staff	110	135	14850
Other (Clerical)	5	90	450
Other 5% Tech Fee			1229
Other			
Total	160		25799

	City of Glendale Solicitation Number: RFP 24-35 / 42400052 EXTERNAL AUDIT SERVICES PRICING WORKBOOK	CITY OF GLENDALE Procurement Department 5970 West Brown Street, Suite 210 Glendale, Arizona 85302
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5.3 Schedule of Professional Fees and Expenses for Additional Services

Description	Estimated Number of Hours (A)	Proposed Hourly Rate (B)	Proposed Total Dollars (A * B)
Partners	10	340	3400
Managers	8	240	1920
Supervisory Staff	10	150	1500
Staff	55	135	7425
Other (Clerical)	7	90	630
Other 5% Tech Fee			744
Other			
Total	90		15619

DISCOUNT/PAYMENT TERMS: The City standard is 2% 20 days

Comply: YES ____ NO

If your answer is NO, please state terms offered: None%

PAYMENT Contractor shall provide monthly statements of itemized services. Payment will be reviewed and approved by the Contract Administrator or designee. The itemized statement shall not exceed the proposal fee in this Section.

TAX AMOUNT Do not include any use tax or federal tax in your proposal.

OFFEROR NAME: CliftonLarsonAllen LLP