

# COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter “County”) and:

CliftonLarsonAllen LLP

\_\_\_\_\_ (hereinafter “CONTRACTOR”).

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

## 1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

**Provide:** Perform as-needed financial audits, performance audits and/or consulting services.

## 2.0 PAYMENT PROVISIONS:

~~County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: \$~~

<sup>DS</sup>  
KC  
3/24/2023 | 1:15 PM PDT

## 3.0 TERM OF AGREEMENT:

**3.01** The term of this Agreement is from Date of Execution by County; County signing last to March 31, 2026, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**

**3.02** The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

## 4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**Exhibit A Scope of Services/Payment Provisions**

**Exhibit B Other:** Request for Qualifications #10866: Audit & Consulting Services Pool

Exhibit C: Sample/Template Task Order

Exhibit D: Sample/Template Task Order Solicitation

## 5.0 PERFORMANCE STANDARDS:

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6.0 PAYMENT CONDITIONS:

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## 7.0 TERMINATION:

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION:

~~CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.~~

## 9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

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9.03 **Insurance Coverage Requirements:** ~~Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:~~

~~**Commercial General Liability Insurance:** including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.~~

~~(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)~~

~~**Requestor must check the appropriate Automobile Insurance Threshold:**~~

~~Requestor must check the appropriate box.~~

~~**Agreement Under \$100,000 Business Automobile Liability Insurance:** covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.~~

~~**Agreement Over \$100,000 Business Automobile Liability Insurance:** covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.~~

~~(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)~~

~~**Workers' Compensation Insurance:** if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.~~

~~(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)~~

~~**Professional Liability Insurance:** if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail~~

~~coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.~~

~~(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)~~

#### 9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

**Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds** with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.** The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.


Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of


CliftonLarsonAllen LLP  
Date of County Execution - 3/31/26


this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10.0 **RECORDS AND CONFIDENTIALITY:**

10.1 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

3/24/2023 | 1:15 PM PPT <sup>OS</sup>  10.2 **County Records:** ~~When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.~~

3/24/2023 | 1:15 PM PPT <sup>OS</sup>  10.3 **Maintenance of Records:** ~~CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.~~

3/24/2023 | 1:15 PM PPT <sup>OS</sup>  10.4 **Access to and Audit of Records:** ~~The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.~~

10.5 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

## 11.0 NON-DISCRIMINATION:

11.1 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and

treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

## 12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

## 13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices require by law in the performance of the Services.

13.2 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

## 14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR’S contract administrators at the addresses listed below:

<b>FOR COUNTY:</b>	<b>FOR CONTRACTOR:</b>
James Lam, Chief Deputy Auditor-Controller	Rich Gonzalez, Principal
Name and Title	Name and Title
168 W. Alisal Street, Floor 3, Salinas, CA 93901	915 Highland Pointe Drive, Suite 300 Roseville, CA 95678-5423
Address	Address
(831) 755-5493 office	916-784-7800
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.


16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term “CONTRACTOR” as used in this Agreement includes CONTRACTOR’s officers, agents, and employees acting on CONTRACTOR’s behalf in the performance of this Agreement.

16.05 **Disputes:** ~~CONTRACTOR shall continue to perform under this Agreement during any dispute.~~

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

CliftonLarsonAllen LLP  
Date of County Execution - 3/31/26

  
3/24/2023 | 1:15 PM PDT



- 16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.
- 16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.
- 16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

## 17.0 **CONSENT TO USE OF ELECTRONIC SIGNATURES.**

- 17.1 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 et seq. Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this

Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

**17.2 Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

**17.3 Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

\*\*\*\*\* THIS SECTION INTENTIONALLY LEFT BLANK \*\*\*\*\*

18.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

**COUNTY OF MONTEREY**

**CONTRACTOR**

CliftonLarsonAllen LLP

By:

\_\_\_\_\_  
Contracts/Purchasing Officer

Date:

By:

\_\_\_\_\_  
Department Head (if applicable)

Date:

Approved as to Form  
Office of the County Counsel  
Leslie J. Girard, County Counsel

By:

DocuSigned by:  
*Stacy Saetta*

\_\_\_\_\_  
County Counsel

Date:

3/24/2023 | 1:20 PM PDT

Approved as to Fiscal Provisions

By:

DocuSigned by:  
*Jennifer Forsyth*

\_\_\_\_\_  
Auditor/Controller

Date:

3/24/2023 | 4:33 PM PDT

Approved as to Liability Provisions  
Office of the County Counsel-Risk Manager  
Leslie J. Girard, County Counsel-Risk Manager

By:

\_\_\_\_\_  
Risk Management

Date:

DocuSigned by: Contractor/Business Name \*

By:

*Richard Gonzalez*

\_\_\_\_\_  
(Signature of Chair, President, or Vice-President)  
Richard Gonzalez

Date:

3/24/2023 | 1:15 PM PDT  
Name and Title

By:

\_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Date:

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

County Board of Supervisors' Agreement No. \_\_\_\_\_ approved on \_\_\_\_\_

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

<sup>1</sup>Approval by County Counsel is required

<sup>2</sup>Approval by Auditor-Controller is required

<sup>3</sup>Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

CliftonLarsonAllen LLP  
Date of County Execution - 3/31/26

## ADDENDUM 1

to Agreement (“Agreement”)

by and between CliftonLarsonAllen LLP (“CONTRACTOR”), and County of Monterey, on behalf of its Auditor-Controller Department (“County”)

This Addendum, dated as of the effective date of the Agreement, amends, modifies, and supplements the Agreement by and between CONTRACTOR and County. This Addendum has the full force and effect as if set forth within the Agreement. To the extent that any of the terms or conditions contained in this Addendum may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, CONTRACTOR and County agree that the Agreement service terms and conditions shall be amended, modified, and supplemented as follows:

1. Section 2.0, PAYMENT PROVISIONS. Section 2.0 is hereby deleted in its entirety and replaced with the following:

“**2.0 PAYMENT PROVISIONS:** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement.”

2. Section 8.0, INDEMNIFICATION. Section 8.0 is hereby deleted in its entirety and replaced with the following:

“**8.0 INDEMNIFICATION:** CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys’ fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the terms and conditions of this Agreement and the negligent and intentional acts or omissions of CONTRACTOR.”

3. Section 9.03 Insurance Coverage Requirements. Section 9.03 is hereby deleted in its entirety and replaced with the following:

“**9.03 Insurance Coverage Requirements:** Without limiting CONTRACTOR’s duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

**Commercial General Liability Insurance:** including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury,

Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Requestor must check the appropriate Automobile Insurance Threshold:**

Requestor must check the appropriate box.

**Agreement Under \$100,000 Business Automobile Liability Insurance:** covering non-owned and hired vehicles used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

**Agreement Over \$100,000 Business Automobile Liability Insurance:** covering non-owned and hired vehicles used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.”

**Worker’s Compensation Insurance:** if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer’s Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Professional Liability Insurance:** if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a “claims-made” basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage (“tail coverage”) with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

4. Section 10.2, County Records. Section 10.2 is hereby deleted in its entirety and replaced with the following:

“10.2 **County Records.** When this Agreement expires or terminates, CONTRACTOR shall return to County any original County records which CONTRACTOR used or received from County to perform services under this Agreement, provided, however, that CONTRACTOR may retain County records to the extent required or permitted by applicable laws, regulations, or professional standards.”

5. Section 10.3, Maintenance of Records. Section 10.3 is hereby deleted in its entirety and replaced with the following:

“10.3 **Maintenance of Records.** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least five years after the fiscal year they are produced. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the five-year period, then CONTRACTOR shall retain said records until such action is resolved.”

6. Section 10.4, Access to and Audit of Records. Section 10.4 is hereby deleted in its entirety and replaced with the following:

“10.4 **Access to and Audit of Records.** The County shall have, to the extent required or permitted by applicable laws, regulations, or professional standards, the right to examine, monitor and audit all time and expense records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement. The workpapers and files supporting the services CONTRACTOR performs are the sole and exclusive property of CONTRACTOR and constitute confidential and proprietary information. CONTRACTOR does not provide access to workpapers and files to County or anyone else in the normal course of business. Unless required by law or regulation to the contrary, CONTRACTOR retains workpapers and files in accordance with CONTRACTOR’S record retention policy that typically provides for a retention period of seven years. After this period expires, CONTRACTOR’S workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time records are available. The workpapers and files of CONTRACTOR are not a substitute for County’s records.”

7. Section 16.05, Disputes. Section 16.05 is hereby deleted in its entirety and replaced with the following:

“16.05 **Disputes.** CONTRACTOR shall continue to perform under this Agreement during any dispute to the extent permissible under applicable laws, regulations, and professional standards.”


**COUNTY OF MONTEREY (Customer)**

**CliftonLarsonAllen LLP**


Authorized Signature:

Authorized Signature:


By: \_\_\_\_\_ Date: \_\_\_\_\_  
Contracts/Purchasing Officer

By:  Date: 3/24/2023 | 1:15 PM PDT  
Principal  
(Title of Signer)

Approved as to Fiscal Provisions:

By:  Date: 3/24/2023 | 4:33 PM PDT  
Auditor-Controller

Approved as to Legal Form:

By:  Date: 3/24/2023 | 1:20 PM PDT  
County Counsel

Approved as to Liability Provisions:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Risk Management

## EXHIBIT-A

**To Agreement by and between  
Auditor-Controller's Office, hereinafter referred to as "County"  
AND  
CliftonLarsonAllen LLP, hereinafter referred to as "CONTRACTOR"**

### **Scope of Services / Payment Provisions**

#### **A. SCOPE OF SERVICES**

**A.1** If selected to perform a specific as-needed audit or project, CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of one or more of the following as-needed services, as set forth below:

1. CONTRACTOR'S Financial Audits shall provide independent assessments of whether the audited entity's reported financial information (e.g., financial condition, results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria. Besides financial statement audits, other financial audits could include auditing internal controls over financial reporting that is integrated with an audit of financial statements.
2. CONTRACTOR'S Performance Audits shall provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with improving performance and operations (including financial operations), ensuring contract and regulatory compliance, enhancing internal controls, reducing costs, facilitating decision-making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability. Examples of performance audits include program or operational audits, and contract or regulatory compliance audits.
3. CONTRACTOR'S Consulting Services shall cover a broad range of advisory and related client service activities, the nature and scope of which are agreed upon with the County, and which are intended to add value and improve the County's operations, management, and governance. Examples include attestations, agreed-upon procedures, business process mapping, non-audit reviews, benchmarking, strategic planning, facilitation, counsel and advice, audit/internal control training, special studies, and other subject-matter expertise and technical skills.

**A.2** If selected to perform a specific as-needed audit or project, CONTRACTOR shall produce specific deliverables in accordance with the agreed-upon schedule for the audit or project.

Deliverables for consulting services can come in a variety of formats, including written reports, other written documents, training, presentations, counsel, and facilitation.



Specifically for performance and other internal audits, according to internal auditing standards, there are five (5) elements of an audit finding essential to the planning, performing, and reporting on an audit. When applicable, CONTRACTOR's internal audit report shall address these five elements of a well-evidenced, transparent, and convincing audit finding.

- Criteria – Identify the standards, measures, or expectations used in making an evaluation and/or verification (the correct state or condition).
- Condition – Identify the problem or issue (the current state).
- Effect – Identify the risk or exposure because the condition is not consistent with the criteria.
- Cause – Identify the reason for the difference between the expected and actual
- Conditions.
- Recommendation – Identify how the Condition and Cause can be resolved.

Recommendations shall be practical and attainable within the environment in which the department must legally and realistically operate.

- CONTRACTOR shall identify additions to or shifting of resources.
- CONTRACTOR shall identify alternative procedures and controls that will be implemented in the interim until such additions to or shifting of resources can be affected.

All audit reports and/or other deliverables shall initially be submitted in draft form to the Auditor Controller's Internal Audit Division (IAD). All final audit reports and/or other deliverables shall be submitted to the IAD for transmission to the auditees and County stakeholders.

- A.3** Audits and consulting services shall be performed, when applicable, in accordance with the Governmental Accounting Standards Board's (GASB) Generally Accepted Accounting Principles (GAAP), Institute of Internal Auditor's International Professional Practices Framework (IIA-IPPF) and/or the U.S Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS).
- A.4** CONTRACTOR shall retain, at CONTRACTOR's expense, all working papers and reports for a period of at least five years after the fiscal year they are produced, unless CONTRACTOR is notified in writing by the County to extend the retention period. CONTRACTOR shall be required to make working papers available, upon request and as required by applicable law, regulation or professional standards, to the following parties or their designees:
- Monterey County

- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the County as part of an audit quality review process
- Auditors of entities of which the County is a sub-recipient of grant funds
- Auditors of entities of which the County is a component unit

CONTRACTOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to any matters of continuing accounting significance, upon execution of an appropriate access letter.

- A.5** During the engagement, CONTRACTOR shall be available for any meetings necessary to discuss project status or progress, as well as draft reports, final reports and/or other deliverables.

## **B. PAYMENT PROVISIONS**

### **B.1 COMPENSATION/ PAYMENT**

This Agreement for as-needed audit and consulting services does not provide for any monetary liability. No guarantee of work is given or implied. This Agreement is not an exclusive service agreement, as the County has awarded multiple agreements with other qualified contractors to provide as-needed audit and consulting services.

- A Task Order (“Task Order”) will be issued against the Agreement when an audit or consulting service project is needed by the County. The awarded Task Order will have a value based on time and material costs as warranted by the project and will be subject to the terms and conditions of the Agreement.
- Only if a specific Task Order is agreed to will the selected CONTRACTOR receive compensation up to the amount agreed upon in the Task Order, subject to a “not to exceed” Task Order amount.
- CONTRACTORS may be used for more than one project during each fiscal year on an as-needed basis.

For each project, the County shall prepare a Task Order Solicitation (“Task Order Solicitation”). A Task Order Solicitation is a request for a needed performance audit, financial audit or consulting service project.

- A Task Order Solicitation will contain the purpose, objectives, and scope of work for the desired project.
- The County will invite all CONTRACTORS on the appropriate list of successful CONTRACTORS to submit proposals in response to the Task Order Solicitation. The proposal shall include a project plan and approach, project steps or activities,

deliverables to be provided, project timeline, project team members, and sealed pricing or cost budget applying rates that do not exceed the agreed-upon rates.

- For each Task Order Solicitation, a selection committee will evaluate the submitted proposals and award the project to the firm whose proposal represents the best overall value to the County on the basis of experience, approach, qualifications and cost.

The County will negotiate the terms of the project with the firm deemed by the selection committee as most qualified and will determine whether the compensation to be paid the firm is fair and reasonable.

- Once an agreement is reached, a Task Order (“Task Order”) will be drafted to define the terms of the project. A Task Order is a supplemental document that stipulates the specific services to be provided under the contract.
- A Task Order shall include the statement of work, including the description of services, price, payment schedule, project and performance schedule and milestones, and deliverables, as well as any other terms and provisions agreed upon by both parties.
- No work is authorized until the COUNTY notifies the selected CONTRACTOR to proceed and both parties have fully executed a Task Order.

County shall pay the not-to-exceed amount for the performance of all things necessary for or incidental to the performance of work as set forth in the Task Order. CONTRACTOR’S compensation for services rendered shall be based on the following full-burdened rates:

Position/Title	Fully Burdened Hourly Rate(s)		
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
Principal / Signing Director	\$325	\$340	\$355
Manager / Director	\$260	\$275	\$290
Senior Associate	\$180	\$190	\$200
Associate 1	\$125	\$130	\$140
Associate 2	\$100	\$105	\$110
Administrative	\$100	\$105	\$110

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

## **B.2 CONTRACTORS BILLING PROCEDURES**

NOTE: Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.



**COUNTY OF MONTEREY  
CONTRACTS/PURCHASING DIVISION  
1488 SCHILLING PLACE  
SALINAS, CA 93901  
(831) 755-4990**

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# **REQUEST FOR QUALIFICATIONS**

**10866**

**For**

**AUDIT & CONSULTING SERVICES POOL  
FOR THE COUNTY OF MONTEREY  
AUDITOR-CONTROLLER'S OFFICE**

**Proposals are due by 3:00 PM (PST) on November 10, 2022**

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## SOLICITATION DETAILS SECTION

### 1.0 INTENT

- 1.0 The intent of this Request for Qualifications (RFQ) is to solicit qualification packages from qualified and experienced firms (CONTRACTOR) to create a pool of qualified and experienced CONTRACTORS for on-call and/or as-needed Audits and/or Consulting Services for the Monterey County Auditor-Controller's Office.
- 1.1 Successful bidders will be placed on one or more of three separate lists (collectively, "Lists"). Each list represents a pool of qualified and experienced CONTRACTORS in one or more of the categories of services sought by this RFQ: (a) financial auditing services, (b) performance auditing services, and (c) non-audit consulting services.
  - 1.1.1 Successful bidders will be awarded a three-year master contract to provide financial auditing services, performance auditing services, and/or non-audit consulting services, either through their in-house experts or by subcontracting with other individuals or firms for such expertise.
  - 1.1.2 The master contracts will be awarded to bidders whose qualification packages demonstrate a firm's capability to provide needed services. This RFQ is not intended to create an exclusive service agreement. The County retains the ability, at its sole discretion, to add qualified CONTRACTORS at any time.
- 1.2 The master contracts will not provide for any monetary liability. No guarantee of work is given or implied to any of the firms selected to be as-needed CONTRACTORS as a result of this request for qualifications process.
  - 1.2.1 A Task Order ("Task Order") will be issued against the master contract when an audit or consulting service project is needed by the County (EXHIBIT I Sample Task Order Template). The awarded Task Order will have a value based on time and material costs as warranted by the project and will be subject to the terms and conditions of the master contract.
  - 1.2.2 Only if a specific Task Order is agreed to, will the selected CONTRACTOR receive compensation up to the amount agreed upon in the Task Order, subject to a "not to exceed" Task Order amount.
  - 1.2.3 CONTRACTORS may be used for more than one project during each fiscal year on an as-needed basis.
- 1.3 For each project, Auditor-Controller's Office shall prepare a Task Order Solicitation ("Task Order Solicitation"). A Task Order Solicitation is a request for a needed performance audit, financial audit or consulting service project (EXHIBIT II Sample Task Order Solicitation).



- 1.3.1 A Task Order Solicitation will contain the purpose, objectives, and scope of work for the desired project.
  - 1.3.2 The Auditor-Controller's Office will invite all CONTRACTORS on the appropriate list of successful CONTRACTORS to submit proposals in response to the Task Order Solicitation. The proposal shall include a project plan and approach, project steps or activities, deliverables to be provided, project timeline, project team members, and sealed pricing or cost budget applying rates that do not exceed the rates provided in the CONTRACTOR'S qualifications package submitted pursuant to this RFQ.
  - 1.3.3 For each Task Order Solicitation, a selection committee will evaluate the submitted proposals and award the project to the firm whose proposal represents the best overall value to the County on the basis of experience, approach, qualifications and cost.
- 1.4 The Auditor-Controller's Office will negotiate the terms of the project with the firm deemed by the selection committee as most qualified and will determine whether the compensation to be paid the firm is fair and reasonable.
- 1.4.1 Once an agreement is reached, a Task Order ("Task Order") will be drafted to define the terms of the project. A Task Order is a supplemental document that stipulates the specific services to be provided under the contract awarded by this RFQ.
  - 1.4.2 A Task Order shall include the statement of work, including the description of services, price, payment schedule, project and performance schedule and milestones, and deliverables, as well as any other terms and provisions agreed upon by both parties.
  - 1.4.3 No work is authorized until the COUNTY notifies the selected CONTRACTOR to proceed and both parties have fully executed a Task Order.
- 1.5 This RFQ is not intended to create an exclusive service agreement. Multiple agreement awards will be made. The County retains the ability, at its sole discretion, to add qualified CONTRACTORS at any time.

## 2.0 BACKGROUND

- 2.1 The County of Monterey is located on the Central Coast of California just south of the San Francisco Bay Area, about 45 miles from San Jose and 106 miles from the City of San Francisco. The County is approximately 3,350 square miles and approximately 440,000 people live within its borders.

- 2.2 Monterey County is a general law county that is comprised of ten elected officials: the five-member Board of Supervisors, Assessor/County Clerk/Recorder, Auditor-Controller, District Attorney, Sheriff, and Treasurer/Tax Collector. General management and operational oversight are performed by an appointed County Administrative Officer (CAO). The chief financial officer of the County is the Auditor-Controller.
- 2.3 The County's fiscal year begins on July 1 and ends on June 30.
- 2.4 The County has a total bi-weekly payroll of approximately \$28 million covering approximately 5,517 FTEs.
- 2.5 The accounting and financial reporting functions of the County are centralized. An organization chart is attached as ATTACHMENT C.
- 2.6 More detailed information on the County and its finances can be found in the fiscal year 2020-21 Annual Comprehensive Financial Report (ACFR). The ACFR is available on the County website at <http://www.co.monterey.ca.us/auditor/>.
- 2.7 Fund Structure – See the most recent final audit reports available on the County website at <http://www.co.monterey.ca.us/auditor/>.
- 2.8 Budgetary Basis of Accounting – See the most recent final audit reports available on the County website at <http://www.co.monterey.ca.us/auditor/>.
- 2.9 Federal and State Financial Assistance – See the fiscal year 2019-20 Single Audit – available on the County website at <http://www.co.monterey.ca.us/auditor/>.
- 2.10 Pension Plans – See the most recent final audit report available on the County website at <http://www.co.monterey.ca.us/auditor/>.
- 2.11 Component Units – The management of the County identified the following component units for inclusion in the County's financial statements. The component units and the fiscal year 2020-21 audits were as follows:
- a) Monterey County Water Resources Agency, including Storm Drain Maintenance District No. 2 and Gonzales Slough Maintenance District – All County Service Areas
  - b) All County Sanitation Districts except Seaside County Sanitation District
  - c) Nacimiento Hydroelectric Operations
  - d) Monterey County Financing Authority
  - e) Monterey County Public Improvement Corporation
  - f) Community Facilities District 2006-1, East Garrison Public Financing Authority
- 2.12 Magnitude of Finance Operations – The Auditor-Controller's Department is headed by Rupa Shah, Auditor-Controller, and consists of 50 employees. The principal functions performed, and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
• Administration	5
• Disbursement – Accounts-Payable, Payroll and Property Tax Management	22
• General Accounting	11
• Systems Support	8
• Internal Audit	2

The mandated duties of the Monterey County Auditor-Controller are performed under legal authority set forth in the California Government Code, the Revenue and Taxation Code, and the Monterey County Code, and in accordance with uniform Generally Accepted Accounting Principles (GAAP) and other authoritative bodies on a State and National level. Section 26881 of the Government Code notes that the Auditor-Controller shall “prescribe, and shall exercise a general supervision, including the ability to review departmental and countywide internal controls, over the accounting forms and the methods of keeping the accounts...” The Board of Supervisors may assign additional responsibilities.

- 2.13 Internal Audit Division – The RFQ process and the resultant Lists and awarded contracts will be overseen by the Auditor-Controller’s Office Internal Audit Division (IAD), which is responsible for developing and executing audit programs for the examination, verification, and analysis of the financial records, operating procedures, and systems of internal controls of County departments, special districts, and other agencies. Audit reports presented to management include objective analyses, appraisals, comments, and recommendations on County operations pertaining to the Departments’ compliance with its stated objectives and the efficiency and effectiveness of existing internal controls.

However, the increasing demand for audit and consulting services as well as the growing complexity of audits and special studies demonstrate the ongoing need for audit assistance by outside audit and/or consulting firms. All audits and services, both internally and externally performed, are conducted in accordance with both the Institute of Internal Auditor’s International Professional Practices Framework (IIA-IPPF) and/or the U.S Government Accountability Office’s Generally Accepted Government Auditing Standards (GAGAS).

- 2.14 Computer Systems – The accounting system is an ERP system by CGI Technologies Group Inc, known as Advantage Financial (v. 3.10.0.1). This system operates on the County’s client server platform. If necessary, access to the system will be provided to the CONTRACTOR during the fieldwork, for the purposes of testing and auditing, provided adequate notice is given to the County.

- 2.15 Other Pertinent Information

2.15.1 Natividad Medical Center (NMC) is a 172-bed, acute care hospital owned and operated by the County, set-up as an Enterprise Fund. The NMC has a leadership team comprised of an 11-member Board of Trustees that includes the three ex-Officio members, CAO of the County, the Chief Executive Officer of NMC, and a member of the Board of Supervisors. Approximately 1,430 full-time positions

operate in NMC. The hospital operates with over 350 physicians on medical staff and has several specialty clinics and outpatient primary care clinics.

NMC operates on a separate, subsidiary, financial system that is not regularly reconciled with the County's accounting system. The Auditor-Controller is working with NMC Finance staff to reconcile NMC's and the County's financial systems. Although, no audit report is currently issued, a separate audit is performed by the external auditors each year over the NMC's subsidiary ledger. The audited balances from the NMC subsidiary ledger are then incorporated into the CAFR report every year.

2.15.2 The Monterey County Water Resources Agency (MCWRA) manages, protects, and enhances the quality of water and provides flood control services. It was established under the Monterey County Water Resources Agency Act, governed by the Monterey County Water Resources Agency Board of Supervisors, and is reported as a blended component unit in the financial report of the County.

2.15.3 Successor Agency (the County as Successor Agency to the Redevelopment Agency of the County) is an agency with an oversight board formed pursuant to state law and meets intermittently to take actions required by state law. The former entity of "Redevelopment Agency of the County" was dissolved on February 1, 2012.

### 3.0 CALENDAR OF EVENTS

3.1	Issue RFQ	October 13, 2022
3.2	Deadline for Written Questions	3:00 p.m., PST, October 20, 2022
3.4	Proposal Submittal Deadline	3:00 p.m., PST, November 10, 2022
3.5	Estimated Notification of Selection	December 2022
3.6	Estimated AGREEMENT Date	December 2022

*This schedule is subject to change as necessary.*

3.7 **FUTURE ADDENDA:** CONTRACTORS, who received notification of this solicitation by means other than through a County of Monterey mailing shall contact the person designated in the COUNTY POINTS OF CONTACT herein to request to be added to the mailing list. Inclusion on the mailing list is the only way to ensure timely notification of any addenda and/or information that may be issued prior to the solicitation submittal date. **IT IS EACH CONTRACTOR'S SOLE RESPONSIBILITY TO ENSURE THAT THEY RECEIVE ANY AND ALL ADDENDA FOR THIS RFQ** by either informing the County of their mailing information or by regularly checking the County's Solicitation

Center web page at <https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/contracts-purchasing/solicitation-center> . Addenda will be posted on the website the day they are released.

## 4.0 COUNTY POINTS OF CONTACT

- 4.1 Questions and correspondence regarding this solicitation shall be directed to:

Primary Contact for the County      **Contracts/Purchasing Division**  
1488 Schilling Place  
Salinas, CA 93901  
FAX: (831) 755-4969  
**Barbara Blythe**  
Phone: (831) 755-4997  
Email: [BlytheB@co.monterey.ca.us](mailto:BlytheB@co.monterey.ca.us)  
**Jessica Rodriguez**  
Phone: (831) 755-4994  
Email: [RodriguezJ@co.monterey.ca.us](mailto:RodriguezJ@co.monterey.ca.us)

- 4.2 All questions regarding this solicitation shall be submitted in writing (E-mail is acceptable). The questions will be researched, and the answers will be communicated to all known interested CONTRACTOR after the deadline for receipt of questions.
- 4.3 The deadline for submitting written questions regarding this solicitation is indicated in the **CALENDAR OF EVENTS herein**. Questions received after the deadline will not be answered.
- 4.4 Only answers to questions communicated by formal written addenda will be binding.
- 4.5 Prospective CONTRACTOR shall not contact County officers or employees with questions or suggestions regarding this solicitation except through the primary contact person listed above. **Any unauthorized contact may be considered undue pressure and cause for disqualification of the CONTRACTOR.**
- 4.6 ELECTRONIC SUBMISSION – Under California's Blueprint for a Safer Economy for COVID-19, the County of Monterey is accepting electronic submissions as follows:
- 4.6.1 The County uses Merzell Inc. (formerly Negometrix Inc.), an e-procurement platform to enhance the safety of our bidders and staff. Please submit your bids electronically at the following link: <https://app.negometrix.com/buyer/585/tenders>
- 4.6.2 **PLEASE NOTE:** CONTRACTORS are required to set up a free account prior to uploading proposals. This will take a few moments; therefore, set up your account at least 24 hours in advance of the bid deadline.

## 5.0 SCOPE OF WORK

5.1 Contractor Minimum Work Performance Percentage: CONTRACTOR shall perform with her, his, or its own organization contract work amounting to not less than 50 percent of the original total contract price, except that any designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed may be deducted from the original total AGREEMENT price before computing the amount of work required to be performed by CONTRACTOR with its organization.

5.2 CONTRACTOR shall provide one or more of the following services:

5.2.1 Financial Audits (i.e., financial statement audits and other financial related audits)

Financial Audits provide independent assessments of whether the audited entity's reported financial information (e.g., financial condition, results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria. Besides financial statement audits, other financial audits could include auditing internal controls over financial reporting that is integrated with an audit of financial statements.

5.2.2 Performance Audits (i.e., program or operational audits, and contract or regulatory compliance audits)

Performance Audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving performance and operations (including financial operations), ensuring contract and regulatory compliance, enhancing internal controls, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.

5.2.3 Consulting Services (i.e., non-audit engagements including attestations, agreed-upon procedures, business process mapping and reviews, benchmarking, strategic planning, audit/internal control training, special studies, and other subject-matter expertise/technical skills)

Consulting Services cover a broad range of advisory and related client service activities, the nature and scope of which are agreed with the client, and which are intended to add value and improve the entity's operations, management, and governance. Examples include counsel, advice, facilitation, training, and non-audit reviews.

5.3 Audit Reports and Consulting Deliverables

5.3.1 Deliverables for consulting services can come in a variety of formats, including written reports, training, presentations, etc. Specifically for audits, according to

auditing standards, there are five (5) elements of an audit finding essential to the planning, performing, and reporting on an audit.

- 5.3.1.1 Condition – Identify and outline the problem(s) or issue(s).
- 5.3.1.2 Effect – Identify the impact of the Condition to the County.
- 5.3.1.3 Cause – Identify how or why the Condition is present.
- 5.3.1.4 Criteria – Identify the source of the Condition.
- 5.3.1.5 Recommendation – Identify how the Condition and Cause can be resolved.

5.3.2 CONTRACTOR's audit report shall address these five elements of a well-evidenced, transparent, and convincing audit finding. CONTRACTOR may submit samples of Audit Reports to be included in APPENDIX A – SAMPLES.

5.3.3 Recommendations must be practical and attainable within the environment in which the department must legally and realistically operate.

5.3.3.1 CONTRACTOR shall identify additions to or shifting of resources.

5.3.3.2 CONTRACTOR shall identify alternative procedures and controls that will be implemented in the interim until such additions to or shifting of resources can be affected.

5.3.4 All audit reports and other pertinent deliverables shall initially be submitted in draft form to the Auditor Controller's Internal Audit Division (IAD) to address the issues, findings, and/or recommendations contained in the report.

5.3.5 All final audit reports or deliverables shall be submitted to the IAD for transmission to the auditees and County stakeholders.

#### 5.4 Project Progress Meetings

During the engagement, CONTRACTOR shall be available for any meetings necessary to discuss project status or progress, as well as draft reports, final reports and/or other deliverables.

#### 5.5 Auditing Standards

Audits and consulting services shall be performed in accordance with the Institute of Internal Auditor's International Professional Practices Framework (IIA-IPPF) and/or the U.S Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS), when applicable.

## 5.6 Subcontractors

- 5.6.1 The CONTRACTOR may enter into subcontracts with other firms or individuals as outlined in Section 5.1 herein. The requirements of this AGREEMENT shall apply to all subcontractors in the same manner as the CONTRACTOR.
- 5.6.2 The County will not pay, directly or indirectly, any fees and/or expenses of subcontractors that do not conform to the provisions and documentation requirements of this AGREEMENT.
- 5.6.3 CONTRACTOR shall identify all services performed by the CONTRACTOR and Subcontractor.
- 5.6.4 CONTRACTOR shall provide qualifications of subcontractor prior to services provided by Subcontractor.

## 5.7 Working Paper Retention and Access to Working Papers

- 5.7.1 CONTRACTOR shall retain, at CONTRACTOR's expense, all working papers and reports for a minimum of five (5) years, unless CONTRACTOR is notified in writing by the County to extend the retention period. CONTRACTOR shall be required to make working papers available, upon request, to the following parties or their designees:
- 5.7.1.1 Monterey County
  - 5.7.1.2 U.S. General Accounting Office (GAO)
  - 5.7.1.3 Parties designated by the federal or state governments or by the County as part of an audit quality review process
  - 5.7.1.4 Auditors of entities of which the County is a sub-recipient of grant funds
  - 5.7.1.5 Auditors of entities of which the County is a component unit
- 5.7.2 CONTRACTOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to any matters of continuing accounting significance.

## **6.0 CONTRACT TERM**

- 6.1 The initial term of the AGREEMENT will be for a period of three (3) years with the option to extend the AGREEMENT for two (2) additional one (1) year periods.
- 6.1.1 The County is not required to state a reason if it elects not to renew.
- 6.2 If the AGREEMENT includes options for renewal or extension, CONTRACTOR must commence negotiations for any desired rate changes a minimum of ninety days (90) prior to the expiration of the initial term of the AGREEMENT. Both parties must agree upon rate extension(s) or changes in writing.



- 6.3 The AGREEMENT shall contain a clause which provides that the County reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty day (30) written notice, or immediately with cause.

## 7.0 LICENSING/SECURITY REQUIREMENTS

- 7.1 CONTRACTOR shall ensure that all services meet the specifications outlined herein for the State of California as applicable.
- 7.2 CONTRACTOR is to ensure that insurance and required licenses under both state and local jurisdictions are current during the full term of the AGREEMENT.

Please see [Insurance Requirements](#) for additional clarification of the County's insurance requirements and samples of required endorsements.

- 7.3 CONTRACTOR may be required to submit appropriate State level criminal background clearance(s) for all personnel required to perform audits within County departments that are deemed restricted or high security (if applicable).
- 7.3.1 CONTRACTOR shall ensure that a California licensed investigator performed the required State level criminal background check(s) for all staff recommended to the County and must provide proof of such to the County prior to the personnel being allowed to complete the requested audit. CONTRACTOR shall be responsible for the cost of these background checks unless otherwise agreed upon in writing by the County.
- 7.3.2 A California licensed investigator must perform the required State level criminal background check(s) which must then be submitted to the County prior to the personnel performing audits.
- 7.3.3 The required background checks SHALL be completed prior to allowing the personnel to work within any of the Sheriff's facilities.

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## 8.0 PROPOSAL PACKAGE REQUIREMENTS

- 8.1 **CONTENT AND LAYOUT:** CONTRACTOR shall provide the information as requested and as applicable to the proposed goods and services. The proposal package shall be organized per the table below; headings and section numbering utilized in the proposal package shall be the same as those identified in the table. Proposal packages shall include at a minimum, but not limited to, the following information in the format indicated:

<b>Proposal Package Layout</b>	
<b>Organize, Tab, and Number Sections as Follows:</b>	
Section 1	COVER LETTER (INCLUDING CONTACT INFORMATION & STATEMENT OF PROPOSED SERVICES)
	SIGNATURE PAGE
	RECEIPT OF SIGNED ADDENDA (IF ANY)
Section 2	QUALIFICATIONS & LICENSING REQUIREMENTS
Section 3	EXPERIENCE & REFERENCES
	CLIENTS AND PAST SERVICES
	FIRM PROFILE
	KEY PERSONNEL
	SUBCONTRACTORS (IF ANY)
	REFERENCES
	VIOLATIONS
Section 4	STATEMENT TO SERVICE COUNTY DEPARTMENTS
Section 5	ENVIRONMENTALLY FRIENDLY PRACTICES
Section 6	ATTACHMENTS AND EXHIBITS
Section 7	EXCEPTIONS
Section 8	APPENDIX

### **Section 1, Cover Letter:**

All Proposal packages must include a cover letter not exceeding two pages and shall include the following:

**Contact Information:** The name, address, telephone number, email address, and fax number of CONTRACTOR's primary contact person during the solicitation process and award of contract.

**Proposed Services:** CONTRACTOR must clearly state which one or more of three services (Financial Audits, Performance Audits, and/or Consulting Services) the firm is proposing to provide for the County.

**Signed Signature Page and Signed Addenda** (if any addenda were released for this solicitation). Proposal packages submitted without this page will be deemed non-responsive. All signatures must be manual and in BLUE ink. All prices and notations must be typed or written in BLUE ink. Errors may be crossed out and corrections printed in ink or typed adjacent and must be initialed in BLUE ink by the person signing the proposal.

**Section 2, Qualifications & Licensing Requirements:**

CONTRACTOR shall provide an affirmative statement attesting that the CONTRACTOR meets the minimum qualifications to provide the specified services outlined herein to include, but not limited to the following:

- A. CONTRACTOR must be recently and continuously engaged in the business of providing audit and/or consulting services for government entities, specifically counties and cities, for at least five (5) years.
- B. For financial audits, CONTRACTOR and all assigned key professional staff are properly licensed to practice in California.
- C. CONTRACTOR proposing to provide financial audits must have at least one (1) principal with at least five (5) years of government auditing experience as a Certified Public Accountant (CPA). CONTRACTOR proposing to provide performance audits must have at least one (1) principal with at least five (5) years of government auditing experience, and is a CPA, Certified Internal Auditor (CIA), Certified Government Auditing Professional (CGAP), and/or Certified Fraud Examiner (CFE). The individual must also be in good standing with the American Institute of Certified Public Accountants (AICPA), Institute of Internal Auditors (IIA), and/or Association of Certified Fraud Examiners (ACFE) at the time of contractual engagement. No specific professional licenses or certifications are required for consulting services.
- D. CONTRACTOR must possess all permits, licenses and professional credentials necessary to provide the services as specified under this RFQ.
- E. CONTRACTOR is independent and has no conflicts of interest, as determined by the County, regarding any other work performed for the County.
- F. CONTRACTOR adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- G. CONTRACTOR shall submit a copy of its last external quality control or peer review report as EXHIBIT A – QUALITY CONTROL OR PEER REVIEW REPORT to be included in Section 2.

**Section 3, Experience & References:**

CONTRACTOR shall provide the following information:

**Clients and Past Services:** CONTRACTOR shall describe services similar to the Scope of Work (Financial Audits, Performance Audits, and/or Consulting Services) requested herein that have been provided to government clients or private enterprise clients during the past ten (10) years. Preference will be given to experience with other California Counties, Cities or other similar government entities.

**Firm Profile:** A summary profile of the firm to including its principal line of business, the year founded, form of organization (corporation, partnership, sole proprietorship, joint ventures, etc.), size, and composition.

For joint venture submissions, provide a general description of the firm's experience and qualifications in performing the proposed services (Financial Audits, Performance Audits and/or Consulting Services) and state the fee distribution percentage between the firms.

**Key Personnel:** CONTRACTOR shall identify the firm's key personnel who may be assigned to perform the contract services required. Include abridged resumes of all key personnel proposed.

**Subcontractors (if any):** CONTRACTOR shall include a list of each subcontractor's company name, address, contact person, telephone number, and description of potential services provided by subcontractor.

CONTRACTOR shall include general information and appropriate abridged resumes for each subcontractor and key personnel assigned by subcontractor.

**References:** CONTRACTOR shall provide at least three (3) names, telephone numbers, and email address of clients for whom your firm has provided similar services described in the Scope of Work herein during the past three (3) years. References from other California counties, cities or other similar government entities for similar services are preferred.

**Violations:** CONTRACTOR shall submit copies of all notices of violations, corrective action notices, enforcement actions or orders, warning notices, writings, or other forms of violation/non-compliance documentation received by CONTRACTOR or key personnel identified from any licensing, regulatory, law enforcement or professional organization during 2015 up to and including the present day. These organizations include, but are not limited, to the California Board of Accountancy, Institute of Internal Auditors, and American Institute of Certified Public Accountants.

#### **Section 4, Statement to Service County Departments:**

Include a statement acknowledging your company can provide services to all County Departments as directed by the Auditor-Controller's Office.

#### **Section 5, Environmentally Friendly Practices:**

CONTRACTOR shall summarize all environmentally friendly practices it adheres to while doing business as relevant to the County's Climate-Friendly Purchasing Policy, which can be found here: <https://www.co.monterey.ca.us/home/showpublisheddocument?id=22305>

CONTRACTOR shall indicate whether it is a 'Green Certified' Business and state which governing authority administered the certification.

**Section 6, Attachments and Exhibits:**

CONTRACTOR shall complete and submit ATTACHMENT A – FULLY BURDENED RATE SCHEDULE and shall include a List of personnel or personnel categories to be utilized and their corresponding fully burdened hourly rates (i.e., incorporating all direct costs, indirect costs, overhead, profits, expenses, and other fees).

In compliance with this RFQ, the proposer agrees to perform the services required at the rates offered if the proposer is selected for award of contract. All pricing as quoted will remain firm for each year of the term of the AGREEMENT.

All requested ATTACHMENTS AND EXHIBITS shall be submitted in Section 6 as outlined in the RFQ herein.

A separate ATTACHMENT A – FULLY BURDENED RATE SCHEDULE shall be submitted for each Proposed Service and clearly identified.

**Section 7, Exceptions:**

Submit any and all exceptions to this solicitation on separate pages, and clearly identify the top of each page with “EXCEPTIONS TO RFQ FOR AUDITOR-CONTROLLER AUDIT AND CONSULTING SERVICES LIST” and the RFQ number (#10866). Each Exception shall reference the page number and section number of the RFQ that is excepted, as appropriate. CONTRACTOR should note that the submittal of an Exception does not obligate the County to revise the terms of this RFQ or any resulting agreement.

**Section 8, Appendix:**

CONTRACTOR may provide any additional information that it believes to be applicable to its qualifications package and include such information in an Appendix section.

8.2 **CONFIDENTIAL OR PROPRIETARY CONTENT:** All proposals become the property of the County, which is a public agency subject to disclosure requirements of the California Public Records Act (“CPRA”).

8.2.1 If CONTRACTOR proprietary information is contained in documents submitted to the County, and CONTRACTOR claims that such information falls within one or more CPRA exemptions, CONTRACTOR must clearly mark such information “CONFIDENTIAL AND PROPRIETARY,” and identify the specific lines containing the information.

8.2.2 In the event of a request for such information, the County will make best efforts to provide notice to CONTRACTOR prior to such disclosure.

8.2.3 If CONTRACTOR contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Monterey County before the County’s deadline for responding to the CPRA request.

- 8.2.4 If CONTRACTOR fails to obtain such remedy within the County's deadline for responding to the CPRA request, the County may disclose the requested information.
- 8.2.5 CONTRACTOR further agrees that it shall defend, indemnify and hold the County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and attorney's fees) that may result from denial by the County of a CPRA request for information arising from any representation, or any action (or inaction), by the CONTRACTOR.

## 9.0 SUBMITTAL INSTRUCTIONS & CONDITIONS

- 9.1 **Electronic Submissions** as outlined in Section 8.1, Content and Layout, shall be submitted using Merzell Inc. (formerly Negometrix Inc.), an e-procurement platform.
- 9.1.1 To view and submit electronic bids, CONTRACTORS will need to set up a free account with Merzell Inc. This will take a few moments; therefore, set up your account at least 24 hours in advance of the bid deadline.
- 9.1.2 The following link provides access to RFQ #10866 and allows CONTRACTOR to upload your electronic bid:  
<https://app.negometrix.com/buyer/585/tenders>
- 9.1.3 A separate PDF file shall be submitted for each section outlined in Section 8.1, Content and Layout, for the qualifications package and named appropriately.
- 9.1.4 Reproductions of the Monterey County Seal shall not be used in any documents submitted in response to this solicitation.
- 9.1.5 Qualifications packages submitted without all the requested requirements will be deemed non-responsive.
- 9.1.6 To validate your qualifications package for RFQ #10866, **the SIGNATURE PAGE and all Addenda must be signed and included.** Signatures can be manually signed in BLUE ink and scanned in color **or** signed using an electronic signature software such as DocuSign.
- 9.2 **Due Date:** Qualifications packages must be uploaded to Merzell Inc ON OR BEFORE the time and date specified on the **Signature Page** of this solicitation. It is the sole responsibility of the CONTRACTOR to ensure that the qualifications package is uploaded and received at or before the specified time. Merzell Inc will not allow or accept uploads past the posted date and time.
- 9.3 **Acceptance:** Proposals are subject to acceptance at any time within 90 days after opening. Monterey County reserves the right to reject any and all qualifications packages, or part of any qualifications package, to postpone the scheduled deadline date(s), to make an award in its own best interest, and to waive any informalities or technicalities that do not

significantly affect or alter the substance of an otherwise responsible proposal package and that would not affect a CONTRACTOR'S ability to perform the work adequately as specified.

- 9.4 **Ownership:** All submittals in response to this solicitation become the property of the County of Monterey. If a CONTRACTOR does not wish to submit a qualifications package but wishes to acknowledge the receipt of the request, the reply shall state "No Bid".
- 9.5 **Compliance:** Qualifications packages that do not follow the format, content and submittal requirements as described herein, or fail to provide the required documentation, may be deemed non-responsive, or receive lower evaluation scores.
- 9.6 The Lists resulting from this RFQ will be made to the CONTRACTOR(s) that submit a response that, in the sole opinion of the County, best serves the overall interest of the County.

## 10.0 SELECTION CRITERIA

- 10.1 An Evaluation Committee selected by the Auditor-Controller's Office will evaluate qualifications packages for the selection of firms for each List, as well as for the evaluation of proposals submitted by successful bidders in response to Task Order Solicitations for as-needed audits and/or consulting services. A conflict-of-interest disclosure form and Confidentiality Agreement will be required from each Committee Member disclosing all restricted and unrestricted conflicts that may exist. If such conflict is identified or disclosed, the Committee Member may be dismissed and an alternate Committee Member will be assigned.

- 10.2 Criteria for Audit and Consulting Services Contractor Lists

The selection of CONTRACTORS for each List will be based on the criteria contained in this RFQ (Section 10.2.1), as demonstrated in the submitted qualifications package.

10.2.1 Qualifications packages will be evaluated using the same criteria for each of the three service areas: Financial Audits, Performance Audits and Consulting Services. CONTRACTORS must indicate which service areas they are proposing to provide to the County and submit to the County a separate ATTACHMENT A – FULLY BURDENED RATE SCHEDULE for each service. Firms meeting the mandatory criteria listed below will have their bids evaluated and scored for technical qualifications.

10.2.2 All responsive qualifications packages will be evaluated using the Scoring Criteria below. Bids must receive a minimum score of 70 points out of 100 possible points for CONTRACTOR to be added to one or more of the three Lists.

<b>MANDATORY CRITERIA</b>	<b>CONTRACTOR LISTS</b>
Evidence indicating Contractor is independent and there is no conflict of interest with the County per US General Accounting Office's Government Auditing Standards.	<b>Pass/Fail</b>
Evidence showing Contractor is licensed to practice in California (if required by the specific project scope of work; e.g., financial audits), and/or is appropriately certified to perform audit services.	<b>Pass/Fail</b>
Copy of last external quality control review or peer review report.	<b>Pass/Fail</b>
<b>TECHNICAL CRITERIA</b>	<b>CONTRACTOR LISTS</b>
Experience and performance on comparable government engagements.	<b>40</b>
The quality of professional personnel to be assigned to the agreement or subsequent engagement and the quality of the Contractor's management support personnel to be available for technical consultation	<b>40</b>
At least three (3) references from other counties, cities or other similar government entities for similar services. California clients are preferred. References will be assessed based on the relevance and extent of Contractor's ability to produce quality products and services on a timely basis under prior contracts.	<b>15</b>
Local Vendor (if applicable): Provides supporting documentation to show qualifications.	<b>5</b>
<b>Total Proposal Points</b>	<b>100</b>

10.2.3 CONTRACTOR should submit information sufficient for the County to easily evaluate qualifications package with respect to the selection criteria. The absence of required information may cause the qualifications package to be deemed non-responsive and may be cause for rejection.

10.2.4 CONTRACTORS selected for the Lists are those whose proposals demonstrate their capability to provide needed services.

10.2.5 The award to be included on the Lists made from this RFQ may be subject to approval by the County Board of Supervisors.

### 10.3 Criteria for Subsequent Task Orders for Audit and/or Consulting Projects

After the Audit and Consulting Services Lists are established, when a relevant audit or service is needed by the County, all CONTRACTORS on a particular list (Financial Audits, Performance Audits, or Consulting Services) will receive the Task Order Solicitation for a specific audit and/or consulting service project.



CONTRACTORS that are on the approved list to provide the service area may then submit proposals to perform the project as defined in the solicitation's scope of work. The selection of the CONTRACTOR to provide the needed service will be based on the criteria contained in this RFQ (Section 10.3.1 below).

10.3.1 All responsive proposals will be evaluated using the Scoring Criteria below. CONTRACTORS meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and cost/pricing. The County will select a CONTRACTOR based upon the recommendation of the Selection Committee.

<b>MANDATORY CRITERIA</b>	<b>SUBSEQUENT ENGAGEMENTS</b>
Evidence indicating Contractor is independent and there is no conflict of interest with the County per US General Accounting Office's Government Auditing Standards.	<b>Pass/Fail</b>
Evidence showing Contractor is licensed to practice in California (if required by the specific project scope of work; e.g., financial audits), and/or is appropriately certified to perform audit services.	<b>Pass/Fail</b>

<b>TECHNICAL CRITERIA</b>	<b>SUBSEQUENT PROJECTS</b>
Experience and performance on comparable government engagements.	<b>20</b>
The quality of professional personnel to be assigned to the agreement or subsequent engagement and the quality of the Contractor's management support personnel to be available for technical consultation.	<b>20</b>
Shows methodology and approach to provide services in the subsequent solicitation/scope of work, including sampling techniques, analytical procedures and acceptable/clean external quality control review report.	<b>15</b>
References from other California counties, cities or other similar government entities for similar services are preferred. References will be assessed based on the relevance and extent of Contractor's ability to produce quality products and services on a timely basis under prior contracts.	<b>5</b>
Adequacy of the Contractor's proposed staffing plan for various segments of the subsequent engagement.	<b>5</b>
Local Vendor (if applicable): Provides supporting documentation to show qualifications.	<b>5</b>
<b>Total Technical Proposal Points</b>	<b>70</b>

<b>COST CRITERIA</b>	<b>SUBSEQUENT PROJECTS</b>
Not-to-exceed price/cost budget for the project. The project budget must specify each team member assigned to the project, their specific roles in the project, their estimated number of hours dedicated to the project, and their fully burdened hourly rates offered in the firm's response to this RFQ. The proposed project budget will be reviewed for reasonableness of costs as compared to the audit/project scope and proposed approach.	<b>30</b>
<b>Total Cost Proposal Points</b>	<b>30</b>
<b>TOTAL POINTS FOR TASK ORDER (Technical + Cost)</b>	<b>100</b>

10.3.2 During the evaluation process to award a Task Order for a subsequent project, the Selection Committee may, at its discretion, request firms to make oral presentations. Such presentations will provide CONTRACTOR(s) with an opportunity to answer any questions the Selection Committee may have on a CONTRACTOR's proposal.

## 11.0 PRICING

- 11.1 CONTRACTOR(s) shall complete ATTACHMENT A – FULLY BURDENED RATE SCHEDULE for the provision of services as outlined within this RFQ. A separate ATTACHMENT A – FULLY BURDENED RATE SCHEDULE shall be submitted for each Service.
- 11.2 CONTRACTOR prices stated in ATTACHMENT A – FULLY BURDENED RATE SCHEDULE shall be effective from the date the qualifications package is submitted to the day the AGREEMENT is awarded and through the initial term of the AGREEMENT.
- 11.3 Prior to the start of each project, the County department and CONTRACTOR(s) will mutually agree upon the budget for the project.
- 11.3.1 County will provide a Task Order solicitation for the requested audit or consulting service. The solicitation will include a defined scope for the project.
- 11.3.2 Pricing may be based upon an hourly rate or by the project, based upon the direction of the user department.
- 11.4 Invoicing by CONTRACTOR(s) will clearly itemize but is not limited to the following:
- 11.4.1 County Department receiving services,  
 11.4.2 Purchase order number under which the invoice is to be charged,  
 11.4.3 Services provided, and  
 11.4.4 Dates of services.

- 11.5 Proposals should include any early discounts and/or incentives offered.

## 12.0 PREFERENCE FOR LOCAL CONTRACTORS

- 12.1 General Requirements: Each local supplier funded in whole or in part by County funds, or funds which County expends or administers, shall be eligible for a local preference as provided in this section.
- 12.2 Rights of First Refusal: Each local supplier who is within five percent (5%) of the lowest responsible bid and who is otherwise responsive and responsible to the call for bids shall be provided the opportunity to reduce the local supplier's bid to the amount equal to the amount of the lowest responsible bid, if the lowest responsible bid is submitted by other than a local supplier. The opportunity to reduce the amount of the bid shall be provided first to the lowest eligible local supplier and, if not accepted by such local supplier within five (5) business days of the opening of bids, who is within five percent (5%) of the lowest responsible bid. In the event an eligible local supplier reduces the bid to the amount of the lowest responsible bid, the eligible local supplier shall be deemed to have provided the lowest responsible bid and shall be awarded the AGREEMENT.
- 12.3 The foregoing provisions apply only to competitive bids that require that contracts be awarded to the lowest responsible bidder. For contracts awarded pursuant to Request for Proposals, the awarding authority may consider, as one (1) of the factors in determining the most suitable proposal, whether or not a local supplier submits the proposal.
- 12.4 Definitions: For the purpose of this section, the following terms have the meanings indicated:
- 12.4.1 "Area" means Monterey County, San Benito County, and Santa Cruz County.
- 12.4.2 "Bid" includes any competitive bid, whether formal or informal.
- 12.4.3 "Local Supplier" shall mean a supplier doing business in the Area for not less than the past five (5) consecutive years.
- 12.4.4 "Supplier" shall mean a business or resident providing goods, supplies, or professional services.
- 12.4.5 "Local Vendor" means a Vendor for which all of the following criteria apply:
- 12.4.5.1 Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as "Area"; and

- 12.4.5.2 Vendor employs at least one full time employee within the “Area”, or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the “Area”; and
- 12.4.5.3 Vendor’s business must have been in existence, in Vendor’s name, within the “Area” for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for proposals for the County; and
- 12.4.5.4 Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; and
- 12.4.5.5 If applicable vendor must possess a valid resale license from the State Franchise Tax Board showing vendor’s local address within the “Area” and evidencing that payment of the local share of the sales tax goes to either a city within the “Area” or to one of the three counties within the defined “Area”.

12.5 Link to County’s Local Preference Policy:

<https://www.co.monterey.ca.us/home/showdocument?id=22313>

## 13.0 INSURANCE REQUIREMENTS

13.1 Evidence of Coverage:

- 13.1.1 Prior to commencement of an AGREEMENT, CONTRACTOR shall provide a “Certificate of Insurance” certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, CONTRACTOR upon request shall provide a certified copy of the policy or policies.
- 13.1.2 This verification of coverage shall be sent to the County’s Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a “Notice to Proceed” with the work under this AGREEMENT until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.
- 13.2 Qualifying Insurers: All coverages, except surety, shall be issued by companies that hold a current policy holder’s alphabetic and financial size category rating of not less than A- VII, according to the current Best’s Key Rating Guide, or a company of equal financial stability that is approved by the County’s Purchasing Manager.

### 13.3 Insurance Coverage Requirements:

13.3.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of an AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

- (i) Commercial general liability insurance including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.*

- (ii) Automobile Insurance

Business Automobile Liability Insurance: covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.*

- (iii) Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

*Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.*

- (iv) Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage

(“tail coverage”) with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

*Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.*

#### 13.4 Other Insurance Requirements:

- 13.4.1 All insurance required by an AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by an AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under an AGREEMENT.
- 13.4.2 Each liability policy shall provide that County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under an AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 13.4.3 **Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds** with respect to liability arising out of the CONTRACTOR’S work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR’S insurance.** The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.
- 13.4.4 Prior to the execution of an AGREEMENT by County, CONTRACTOR shall file certificates of insurance with County’s contract administrator and County’s Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by an AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in an AGREEMENT, which shall continue in full force and effect.

13.4.5 CONTRACTOR shall always during the term of an AGREEMENT maintain in force the insurance coverage required under an AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of an AGREEMENT, which entitles County, at its sole discretion, to terminate an AGREEMENT immediately.

You may reference our [Insurance Requirements](#) for additional clarification and samples of required endorsements.

## 14.0 CONTRACT AWARDS

- 14.1 No Guaranteed Value: County does not guarantee a minimum or maximum dollar value for any AGREEMENT or AGREEMENTS resulting from this solicitation.
- 14.2 Board of Supervisors: The award(s) made from this solicitation may be subject to approval by the County Board of Supervisors.
- 14.3 Interview: County reserves the right to interview selected CONTRACTOR before a contract is awarded. The costs of attending any interview are the CONTRACTOR'S responsibility.
- 14.4 Incurred Costs: County is not liable for any cost incurred by CONTRACTOR in response to this solicitation.
- 14.5 Notification: All CONTRACTORS who have submitted a Qualifications Package will be notified of the final decision as soon as it has been determined.
- 14.6 In County's Best Interest: The award(s) resulting from this solicitation will be made to the CONTRACTOR that submit(s) a response that, in the sole opinion of County, best serves the overall interest of County.

## 15.0 PREVAILING WAGE

Under Labor Code sections 1720 et seq., a contract for plumbing may be considered a public work. If applicable, CONTRACTOR shall comply with provisions of the Labor Code (sections 1720, et seq.) governing public works, including payment of prevailing wages, payroll records and employment of apprentices. Copies of the determination of the general prevailing rate of per diem wages are available to interested parties at: <http://www.dir.ca.gov/public-works/prevailing-wage.html>.

## 16.0 SEQUENTIAL CONTRACT NEGOTIATION

County will pursue Task Order negotiations with the CONTRACTOR who submit(s) the best Proposal or is deemed the most qualified in the sole opinion of County, and which is in accordance with the criteria as described within this solicitation. If the Task Order negotiations are unsuccessful, in the opinion of either County or CONTRACTOR, County may pursue Task Order negotiations with the entity that submitted a Proposal which County deems to be the next best qualified to provide the services, or County may issue a new solicitation or take any other action which it deems to be in its best interest.

## 17.0 AGREEMENT TO TERMS AND CONDITIONS

CONTRACTOR selected through the solicitation process will be expected to execute a formal AGREEMENT with County for the provision of the requested service. The AGREEMENT shall be written by County in a standard format approved by County Counsel, similar to the <https://www.co.monterey.ca.us/home/showdocument?id=81980>. Submission of a signed bid/proposal and the **SIGNATURE PAGE** will be interpreted to mean CONTRACTOR HAS AGREED TO ALL THE TERMS AND CONDITIONS set forth in the pages of this solicitation and the standard provisions included in the **SAMPLE AGREEMENT** Section herein. County may but is not required to consider including language from the CONTRACTOR'S proposed AGREEMENT, and any such submission shall be included in the EXCEPTIONS section of CONTRACTOR'S proposal.

## 18.0 COLLUSION

CONTRACTOR shall not conspire, attempt to conspire, or commit any other act of collusion with any other interested party for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the solicitation that would bring about any unfair conditions.

## 19.0 RIGHTS TO PERTINENT MATERIALS

All responses, inquiries, and correspondence related to this solicitation and all reports, charts, displays, schedules, exhibits, and other documentation produced by the CONTRACTOR that are submitted as part of the submittal will become the property of the County when received by the County **and may be considered public information under applicable law**. Any proprietary information in the submittal must be identified as such and marked "CONFIDENTIAL INFORMATION" or "PROPRIETARY INFORMATION", in conformity with the specific requirements set forth in section 8.3, above. The County will not disclose proprietary information to the public, unless required by law; however, the County cannot guarantee that such information will be held confidential. **As a California government entity, County is subject to the California Public Records Act and other public transparency laws and, as such, cannot guarantee the confidentiality of information marked confidential or proprietary.** County will



respond to requests for disclosure of records related to this solicitation in accord with applicable law on disclosure requirements and exemptions to disclosure.

## 20.0 PIGGYBACK CLAUSE

CONTRACTOR shall indicate below if CONTRACTOR agrees to extend the same prices, terms and conditions of their proposal to other public agencies that have delivery locations within the State of California limits: \_\_\_\_\_ Yes \_\_\_\_\_ No. CONTRACTOR's response to this question will not be considered in award of the AGREEMENT resulting from this solicitation. When CONTRACTOR extends the prices, terms and conditions of their proposal to other public agencies, any resulting agreement shall be between CONTRACTOR and the other public agencies and County shall bear no responsibility or liability for any agreements between CONTRACTOR and the other public agencies.

## SAMPLE AGREEMENT SECTION

The COUNTY OF MONTEREY STANDARD AGREEMENTS with all terms and conditions (which are hereby incorporated by reference as though set forth entirely herein) may be viewed at: <https://www.co.monterey.ca.us/home/showdocument?id=81980>

*-- End of Sample Agreement Section --*

**ATTACHMENTS/EXHIBITS AND SIGNATURE PAGE**

**ATTACHMENT A: FULLY BURDENED RATE SCHEDULE**

The undersigned, having read and understood all qualification package information, hereby submits the FULLY BURDENED RATE SCHEDULE as outlined in Section 11.0 PRICING. A separate ATTACHMENT A – FULLY BURDENED RATE SCHEDULE shall be submitted for each Service.

<b>Position/Title</b> <i>(Indicate Below)</i>	<b>Fully Burdened Hourly Rate(s)</b> <i>(Indicate annual changes, if any, for the initial three (3) year term)</i>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>

*--- End of Attachment A ---*

## ATTACHMENT B: LOCAL BUSINESS DECLARATION FORM

### COUNTY OF MONTEREY LOCAL BUSINESS DECLARATION FORM

If a business entity is claiming to be a “Local Vendor” as defined by the “Monterey County Local Preference Policy,” adopted by the Monterey County Board of Supervisors on August 29, 2012, it must certify it meets the definition of “Local Vendor” as defined and in accordance with the adopted policy. Any business entity claiming to be a local business as defined by the policy, shall so certify, in writing herein, that it meets all of the criteria listed within the policy, which can be accessed online at the following link:

<https://www.co.monterey.ca.us/home/showdocument?id=22313>.

#### “Local Vendor” is defined as follows:

1. Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as “Area”; **and**
2. Vendor employs at least one full time employee within the “Area”, or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the “Area”; **and**
3. Vendor’s business must have been in existence, in Vendor’s name, within the “Area” for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for proposals for the County; **and**
4. Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; **and**
5. If applicable vendor must possess a valid resale license from the State Franchise Tax Board showing vendor’s local address within the “Area” and evidencing that payment of the local share of the sales tax goes to either a city within the “Area” or to one of the three counties within the defined “Area”.

County shall not be responsible or required to verify the accuracy or any such certifications and shall have sole discretion to determine if a bidder meets the definition of “local vendor” as provided herein.

Any business which falsely claims a preference pursuant to Monterey County Local Preference Policy shall be ineligible to bid on County purchases or contracts for a period of three (3) years from the date of discovery of the false certification(s).

Any business eligible for the local preference who desires to have the preference applied during the award selection process shall return this completed Local Business Preference Declaration form with its proposal or qualifications package response. Upon request, bidder agrees to provide additional information to substantiate this certification.

As per the policy: "**Area**" shall mean Monterey County, San Benito County, and Santa Cruz County.

Note: If applicable your organization must possess a valid resale license from the State Franchise Tax Board showing its local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one (1) of the three (3) counties within the defined "Area."

**On behalf of my business entity (i.e., organization) I certify under penalty of perjury that I have both read and confirm that my business entity meets the requirements as outlined within the County's Local Preference Policy for the procurement in question.**

**Business Legal Name:** \_\_\_\_\_

**DBA (if any):** \_\_\_\_\_

**Business Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of Authorized Representative** **Date**

\_\_\_\_\_  
**Printed Name and Title of Authorized Representative**

**Telephone Number(s):** (\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

***This form must be submitted within a bidder's proposal package in order for the County to apply the applicable local preference.***

**Bidders who do not qualify as a local business as per the policy should not submit this form.**

## **ATTACHMENT C: ORGANIZATIONAL CHART COUNTY OF MONTEREY**

**A separate ATTACHEMENT C: ORGANIZATIONAL CHART COUNTY OF MONTEREY is available on Mercell Inc. (formerly Negometrix Inc.) and on the Solicitations Page for RFQ 10866 Internal Audit/Consulting Services Pool for the County of Monterey Auditor/Controller's Office.**

**The link to the Solicitations Page is as follows:**

[Solicitation Center - Active RFP/RFQs | Monterey County, CA](#)

## **EXHIBIT I: SAMPLE TASK ORDER TEMPLATE**

**A separate EXHIBIT I SAMPLE TASK ORDER TEMPLATE is available on Mercell Inc. (formerly Negometrix Inc.) and on the Solicitations Page for RFQ 10866 Internal Audit/Consulting Services Pool for the County of Monterey Auditor/Controller's Office.**

**The link to the Solicitations Page is as follows:**

[Solicitation Center - Active RFP/RFQs | Monterey County, CA](#)

## **EXHIBIT II: SAMPLE TASK ORDER SOLICITATION**

**A separate EXHIBIT II SAMPLE TASK ORDER SOLICITATION TEMPLATE is available on Mercell Inc. (formerly Negometrix Inc.) and on the Solicitations Page for RFQ 10866 Internal Audit/Consulting Services Pool for the County of Monterey Auditor/Controller's Office.**

**The link to the Solicitations Page is as follows:**

[Solicitation Center - Active RFP/RFQs | Monterey County, CA](#)

*~End of Attachments and Exhibits~*

**SIGNATURE PAGE**

COUNTY OF MONTEREY  
CONTRACTS/PURCHASING DIVISION

RFQ # **10866**  
ISSUE DATE: Thursday, October 13, 2022



RFQ TITLE:  
INTERNAL AUDIT/CONSULTING SERVICES POOL FOR COUNTY OF MONTEREY AUDITOR/CONTROLLER'S OFFICE

ELECTRONIC SUBMISSION USING MERCELL (FORMERLY NEGOMETRIX)  
**MUST BE SUBMITTED BY 3:00 P.M. (PST)**  
**THURSDAY, NOVEMBER 10, 2022**

**CONTACT ADDRESS:**  
COUNTY OF MONTEREY  
CONTRACTS & PURCHASING  
1488 SCHILLING PLACE  
SALINAS, CA 93901

QUESTIONS ABOUT THIS RFQ SHOULD BE DIRECTED TO:  
BARBARA BLYTHE, [BlytheB@co.monterey.ca.us](mailto:BlytheB@co.monterey.ca.us) (831) 755-4997 **OR**  
JESSICA RODRIGUEZ, [RodriguezJ@co.monterey.ca.us](mailto:RodriguezJ@co.monterey.ca.us) (831-755-4994)

CONTRACTOR MUST SUBMIT THEIR ELECTRONIC PROPOSAL USING MERCELL, fka NEGOMETRIX INC, AN ePROCUREMENT PLATFORM AS OUTLINED IN SECTION 9.0, SUBMITTAL INSTRUCTIONS & CONDITIONS HEREIN.

ALL REQUIRED CONTENT AS DEFINED PER SECTION 8.0, PROPOSAL PACKAGE REQUIREMENTS HEREIN.

***This Signature Page must be included with your submittal to validate your proposal.  
Proposals submitted without this page will be deemed non-responsive.***

**CHECK HERE IF YOU HAVE ANY EXCEPTIONS TO THIS SOLICITATION.**

**CONTRACTOR MUST COMPLETE THE FOLLOWING TO VALIDATE PROPOSAL**

I hereby agree to furnish the articles and/or services stipulated in my proposal at the price quoted, subject to the instructions and conditions in the Request for Qualifications package. I further attest that I am an official officer representing my firm and authorized with signatory authority to present this proposal package.

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

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Authorized Representative (Print): \_\_\_\_\_ Title/Position: \_\_\_\_\_

Phone: Office (\_\_\_\_\_) \_\_\_\_\_ Mobile: (\_\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_

License Number/Classification (If applicable): \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Representative listed above

\_\_\_\_\_  
Date

## TASK ORDER

No. 00-00-0-00

**I. Title of Project:**

**II. Department:**

**III. Background:**

**IV. Study Objective:**

**V. Approach & Methodology:**

The audit should involve a two-phase approach. *Phase I: Data Gathering/Planning*, will provide a framework for the audit. At the completion of this phase, preliminary issues should be identified based on an assessment of risk areas identified. Once Phase I is complete, a planning memorandum should be submitted to the Auditor-Controller staff for review and approval before commencing Phase II of the audit. *Phase II: Fieldwork*, will involve more detailed audit procedures and substantive testing to fully develop the issues noted during Phase I. Audit procedures should be of sufficient depth to conclude on each of the audit's objectives.

**VI. Deliverables & Key Milestones:**

**Status Updates**

The Contractor will be available to present and discuss the audit's progress with the Auditor-Controller's staff. A brief written report should describe the activities performed, any significant issues or challenges noted, upcoming planned tasks and expected deliverables, should be submitted for the duration of the project.

**Planning Memorandum**

At the completion of Phase I, the Contractor will submit a report describing the results of the planning phase, including preliminary issues, risks and opportunities that will be further developed and analyzed during Phase II. The Planning Memorandum will outline the audit objectives and the audit procedures and testing to address those objectives. Results of Planning Memo will be presented to Auditor-Controller staff and, based on Auditor-Controller input, used as a basis to frame Phase II.

## Summary of Issues Memorandum

At substantial completion (at least 75%) of the Fieldwork Phase, the Consultant will submit a Summary of Issues Memorandum to the Auditor-Controller staff. Well-developed audit issues should be documented in the memo comprised of condition, criteria, cause, effect and recommendation. After discussion with the Auditor-Controller staff, the Summary of Issues Memo may also be presented and discussed with representatives of the audited entity, and after considering the auditee's input, will be used as a basis for the draft report. The remaining 25% of the Fieldwork Phase will be conducted to complete necessary work and to follow-up on issues that require further clarification and development.

## Draft Report

Upon completion of review and analysis (Fieldwork Phase), the Contractor will prepare a Draft Report, which will be submitted to Auditor-Controller management for review, comment and approval. The report will include an executive summary, introduction, a detailed discussion of methods and approach, graphics, and conclusions. The draft report will then be submitted to the audited entity's management for discussion during an exit conference. Following the exit conference and consideration of the auditee's comments, the Auditor-Controller will issue the final report.

## Final Draft Report

After addressing Auditor-Controller management review comments and any subsequent outstanding issues, the Contractor will deliver a final draft report for official release by the Auditor-Controller.

## Report Presentations

The Contractor will be available to meet with the Auditor-Controller staff, and/or other County representatives to present the report. The Contractor will also be available to provide ad-hoc informal reports/presentations, if requested.

Key Milestones/Deliverable	Estimated Date(s) of Performance
▪ Project Kick-off	
▪ Planning Memorandum	
▪ Summary of Issues	
▪ Delivery of Draft Report	
▪ Delivery of Final Report	



The Contractor will inform the Auditor-Controller staff, in advance, of any foreseeable events that may impact the above milestone dates. The delivery dates may be delayed at the Auditor-Controller's discretion.

## VII. Project Team:

The following Contractor staff members constitute the approved consulting team to be used during the engagement:

- Team Member #1
- Team Member #2
- Team Member #3
- Team Member #4

Any change in the above members of the consulting team must first be approved in writing by the Chief Deputy Auditor-Controller for Internal Audit or his/er designee.

## VIII. Payment Amount and Method:

In accordance with the Master Agreement (County contract No. XXXXXX), this Task Order was issued wherein CONTRACTOR, agreed to perform an audit and submit a final report for a total amount not to exceed \$00,000 (XXX THOUSAND DOLLARS).

The efforts and related deliverables provided by the Contractor must meet the objectives, and follow the approach detailed in this Task Order and the Contractor's proposal. The Contractor shall submit invoices for services based upon project hours at hourly rates consistent with the fully-burdened rates approved in Master Agreement, as shown below. The Auditor-Controller will review and approve all invoices.

Key Personnel	Fully-Burdened Rate
▪ Team Member #1	
▪ Team Member #2	
▪ Team Member #3	
▪ Team Member #4	
▪ Team Member #5	

All terms and conditions of the Master Agreement shall remain in full force and in effect.

COUNTY OF MONTEREY

By: \_\_\_\_\_  
Name (County Representative)  
Title

By: \_\_\_\_\_  
Name (Contractor Representative)  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## TASK ORDER SOLICITATION

### Performance Audit of a County Department's Purchasing Card Program

The Auditor-Controller seeks to engage the services of a qualified, independent consultant to perform a GAGAS-compliant performance audit that will evaluate the processes and controls over a County Department's (PWD) Purchasing Card Program.

#### **I. Background**

Purchasing Card (P-Card) programs are used by agencies to promote an efficient, cost-effective method of procurement; however, operational efficiencies must be balanced against ensuring that necessary control procedures are in place to guard against misuse and fraud.

The County Department's P-Card program is a credit card-based system used to procure primarily low value, non-inventory, non-capital, non-contract items. The face of each P-Card is identified as a County purchasing card, with the individual cardholder's name. The individual whose name appears on the card is the only person authorized to use the card, and each card has a monthly credit limit.

The Department's P-card program prohibits some practices and the purchase of certain items, for example:

- Split purchases to circumvent the transaction dollar limit (including both the P-card transaction and other procurement means, e.g., purchase order or petty cash)
- Card sharing
- Travel and entertainment
- Personal use
- Items available under existing County contract

The Department also has policies in place regarding recordkeeping, approvals, reconciliation, security, and periodic audits.

Despite general control procedures in place at the Department, two employees were recently charged with criminal misappropriation of public funds and conspiracy using Department-issued P-Cards. The Department's internal investigation of the matter noted that the alleged fraud spanned six years and involved the theft of at least \$3 million in public funds.

At the request of Department management, the Auditor-Controller seeks to engage a firm to conduct an independent performance audit of the Department's P-Card

program. It is important that this audit be done as expeditiously as possible to ensure appropriate controls to prevent abuse are in place and are being adhered to.

## **II. Scope & Objectives**

The scope of this review will focus on an evaluation of the Department's current practices regarding P-Card usage. Specifically, the primary objectives of the evaluation should include the following:

- To determine whether effective processes have been implemented to ensure compliance with the Department's P-Card policies and procedures;
- To determine whether adequate internal controls are in place that govern efficient and effective use of P-Cards and provide reasonable assurance to minimize misuse, abuse and fraud; and
- To determine whether recommendations from any prior reviews and/or audits have been implemented in a timely manner, to improve controls over purchasing activities.

## **III. General Approach**

The Consultant will be expected to begin work immediately upon execution of a Task Order.

The project should begin with a review of the Department's current P-Card policies, and a walk through of the processes actually used by a sample of the Department operating units relative to P-Card transactions. At the conclusion of this initial review, auditors should make an assessment as to the adequacy of existing policies and, based on a review of key processes, assess the potential areas of risk relative to P-Card transactions.

Based on risks identified, consultant should conduct substantive testwork to conclude on the project objectives. A well-developed draft report describing the results of the evaluation should be delivered at the conclusion of testwork.

## **IV. Project Deliverables & Milestones**

The Consultant should provide the following deliverables:

### **Bi-Weekly Status Reports**

On a bi-weekly basis, the Consultant will prepare and submit written status reports describing the accomplishments since the submission of the last report, current activities, and tasks planned for the next reporting period, as well as any other

significant items.

### Planning Memorandum

After the initial review, Consultant should submit a Planning Memo for review and approval by the Auditor-Controller management before commencing substantive testwork. This planning report will summarize the initial issues, risks and opportunities to be further explored and provide further detail about additional tasks and/or testwork required to conclude on the audit objectives.

### Summary of Issues Memorandum

At 75% completion, a Summary of Issues Memorandum will be submitted and discussed with the Auditor-Controller management staff. The Memo should be organized in sections linked to the audit methodology used and will flow directly into the organization and content of the draft report. Audit findings must be submitted detailing the issues identified, including the related condition, criteria, cause, effect and recommendation. This deliverable will also include separate meetings to discuss the findings with the audited Department's management.

### Draft Report

Upon completion of fieldwork and discussion of the Summary of Issues with the Department, the Consultant will prepare a draft report in accordance with Generally Accepted Government Auditing Standards, which will be submitted to Auditor-Controller management for review, comment and approval. The report should include an executive summary, introduction, discussion of methodology and approach, findings, conclusions and recommendations. Recommendations should be practical and address the actual cause of existing conditions and be designed to mitigate risks and weaknesses noted during the review.

The report should be concise, well-written, and supported with graphics whenever possible to facilitate the readers' understanding and interest.

After addressing Auditor-Controller management's review comments and any outstanding issues, Consultant will deliver a final draft report, which will be transmitted by the Auditor-Controller to the Department for review and discussion at an exit conference.

After consideration of any additional information discussed during the exit conference, Consultant should prepare and deliver a proposed final report, to be released by the Auditor-Controller.

### Report Presentations

After the report's issuance, the Consultant may be expected to present their report

findings to the County Board of Supervisor and/or related commissions or committees.

## **V. Proposal Submission**

Consulting firms with current Master Agreements with the Auditor-Controller's Office are invited to submit a brief proposal indicating their interest in this project. The letter of interest, which must be submitted electronically to James Lam, Chief Deputy Auditor-Controller-Internal Audit (lamj@co.monterey.ca.us), is due by 5:00 PM on Friday, November XX, XXXX, and should include:

- General methodology and approach to complete the project.
- Background, experience, and qualifications of the firm, including specific expertise of the staff that will be assigned to the project. Include a list of agencies for which similar work was performed in the past.
- For each key staff member, describe their role in the project and include a brief resume and the estimated number of hours he/she will be able to dedicate to the project.
- Proposed timeframe and submission of deliverables.
- Proposed Costs: Consultant will be reimbursed for costs not to exceed a specified maximum amount. Therefore, the contractor should specify the hourly rate for each staff member and proposed hours, as well as a maximum total project cost. The hourly rates must not exceed the fully burdened rates in the master agreement.

## **VI. Evaluation of Responses**

Responses will be evaluated based on the following factors:

- Proposed Methodology and Approach
- Relevant Experience of Firm and Key Personnel
- Ability to meet desired timeframes
- Reasonableness of Costs, as compared to the Consultant's proposed approach and related efforts.