

VENTURA REGIONAL SANITATION DISTRICT

1001 Partridge Dr., Suite 150, Ventura, California 93003



*REQUEST FOR PROPOSALS
For
PROFESSIONAL AUDIT SERVICES*

Proposal Issue Date

January 16, 2020

Proposal Submittal Due Date

Before 5:00 p.m. on February 28, 2020

Documents available online at:

<https://www.vrsd.com/>

VENTURA REGIONAL SANITATION DISTRICT

REQUEST FOR PROPOSALS

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**VENTURA REGIONAL SANITATION DISTRICT
REQUEST FOR PROPOSALS**

I. INTRODUCTION

A. General Information

The VENTURA REGIONAL SANITATION District (District) is requesting proposals from qualified firms of Certified Public Accountants to audit the District's financial statements as well as that of two of its clients for the fiscal years ending June 30, 2020, 2021 and 2022, with the potential to extend for an additional two subsequent fiscal years. The District's accounting records are maintained on the accrual basis, and the accounting policies and procedures conform to generally accepted accounting principles. The financial statements are presented as required for enterprise funds – a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing their proposal in response to this request. Any inquiries concerning the request for proposals should be addressed to Tina Rivera, Director of Finance (805-658-4646).

To be considered, a proposal must be received by **5:00 p.m. on February 28, 2020** :

Proposals must be emailed to tinarivera@vrsd.com

Proposals received after the above date and time will not be considered.

The District reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by Finance and Administration personnel.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

B. Term of Engagement

A three-year contract (Fiscal Years 2019/20, 2020/21 and 2021/22) is contemplated, subject to the annual review and recommendation of the Finance Department. Depending on service performance, timeliness of reports, and responsiveness to the District's needs, there will be a

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possibility of contract renewal on an annual basis for an additional two years for a possible total of five (5) Fiscal Years ending June 30, 2024. Audit fees for the additional two years will be negotiated between the District and the selected firm, subject to the concurrence of the District Board and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The District is soliciting the services of qualified firms of Certified Public Accountants to audit its financial statements and those of two of its clients for three years, beginning with the fiscal year ending June 30, 2020, with the option to audit the financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

The District may require on-going infrequent consulting services for financial issues throughout the year. No additional charges are to be made by the selected audit firm for these financial consulting services.

B. Scope of Work

The District desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles for the District and for the Saticoy Sanitation District and Ventura County Resource Alliance.

The auditor is not required to audit the Management Discussion and Analysis section and the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report.

The auditor is not required to audit the schedule of federal financial assistance. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements. The auditor is also required to perform any additional tests or procedures as required by *Government Auditing Standards*.

The auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not include any task that entails significant research or a formal report.

C. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*; the Single Audit Act Amendments of 1996 (the Single Audit Act); the provisions of the Office of

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Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*; OMB Circular A-87; the State Controllers' Minimum Audit Requirements for California Special Districts; and applicable laws and regulations.

D. Reports

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for the District and
2. A report on compliance with applicable laws and regulations.
3. Single Audit Report on Federal Awards Program, if required.
4. The Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, if required.
5. A report on Internal Control and Compliance.
6. The auditor shall communicate in a letter to management on any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware.

E. Special Considerations

The District will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program.

The auditor may be required to provide special assistance to the District to meet the requirements of these programs.

F. Working Paper Retention and Access

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. The Cognizant Federal Audit Agency
2. U. S. General Accounting Office (GAO)
3. Parties designated by the federal or state governments or by the District as part of an audit quality review process.
4. Auditors of entities of which the District is a sub recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and

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allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

VENTURA REGIONAL SANITATION District (VRSD) is an enterprise public waste management agency organized in July 1970 under the California County Sanitation District Act (Health & Safety Code Section 4700 et seq.). It covers about 1,600 square miles and serves approximately 90% of Ventura County.

The District employs a full-time staff of approximately seventy-five (75 FTEs) employees. It provides the following services:

SOLID WASTE OPERATIONS AND MANAGEMENT: It provides integrated solid waste treatment and disposal services to eight cities within Ventura County (excludes Moorpark and Simi Valley). The District operates an active landfill (Toland) and oversees post-closure activities for a handful of inactive landfills.

WATER & WASTEWATER CONTRACT SERVICES: It provides varying levels of services ranging from system maintenance, operation and/or management to over a dozen cities and special districts.

ACCOUNTING/BOOKKEEPING AND UTILITY BILLING CUSTOMER SUPPORT SERVICES: The District provides full bookkeeping and accounting services (includes A/P, payroll, utility billing, financial reporting, budgeting etc.) to three other organizations—two special districts and one joint powers agency. This requires the District to be able to have multiple checking accounts, employer federal and state accounts for financial, payroll and accounts payable reporting.

Auditors selected would also perform annual audits for one special district (Saticoy Sanitary District) and the JPA (Ventura County Regional Energy Alliance).

B. Name and Telephone Number of Contact Person/Organizational Chart

The auditor's principal contact with the District will be Tina Rivera, Director of Finance, who will coordinate the assistance to be provided by the District to the auditor.

An organizational chart (Appendix A, Page 15) and a list of key personnel (Appendix B, Page 16) are attached.

C. Fund Structure

The District reports as a single enterprise fund as do the Saticoy Sanitary District and Ventura Regional Energy Alliance.

D. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles,

including capital projects that may have commitments longer than one year.

E. Federal Financial Assistance

The District currently receives no federal financial assistance. However, this may change during the years of the audit services.

F. Pension Plans

The District contributes to the Ventura County Employees' Retirement Association (VCERA) which is comprised of the District, the County of Ventura, Ventura County Courts and the Ventura County Air Pollution Control District. The District regularly obtains actuarial studies regarding Pension and OPEB and expects timely compliance with related GASB pronouncements.

G. Component Units

The District does not have any component units but will require auditing services for the following two clients: Saticoy Sanitary District and Ventura County Regional Energy Alliance

H. Magnitude of Finance Operations

The Director of Finance, Tina Rivera, manages a staff of ten employees and is responsible for accounting, payroll, budgeting, investments and purchasing.

I. Computer Hardware and Software

The District's Computer Systems consist of over computers running Windows. These client systems are connected via TCP/IP to several centralized Windows servers. All computers utilize MS Office for office applications and Outlook 2013 for e-mail communication.

The District currently utilizes financial software from Microsoft Great Plains (MS-GP). The MS-GP system is made up of 11 applications integrated within the general ledger. The MS-GP system is a window based system, which utilizes standard web browsers such as Internet Explorer. Alternative software options are currently being explored with a change anticipated within the next couple of years.

J. Availability of Prior Audit Reports and Working Papers

A copy of the 2019 Audit Report can be found on the District website <https://www.vrsd.com/about-district/#documents>. If requested, the District will attempt to provide the selected firm with prior working papers.

IV. TIME REQUIREMENTS

A. RFP Timeline:

Date	Activity
January 10, 2020	RFP Issued
February 4, 2020	Deadline for RFP Questions
February 8, 2020	Addendum Issued & Posted on Website (responses to questions) if applicable
February 28, 2020	Proposals Due
March 2020	Evaluation committee/ Presentations (if needed)
March/April 2020	Contract Awarded

B. Schedule for the 2019/20 Fiscal Year Audit

A similar schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits.

Each of the following shall be completed by the auditor no later than the dates indicated.

1. Interim Work
The auditor shall complete all interim work by the agreed upon date.
2. Detailed Audit Plan
The auditor shall provide the District by the first week of July, both a detailed

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audit plan and a list of all schedules to be prepared by the District.

3. Fieldwork

The auditor shall complete all fieldwork by October 21, 2020.

4. Draft Reports

The auditor shall have drafts of the audit report(s) (basic financial statements) available for review by October 31, 2020.

C. Entrance Conference, Progress Reporting and Exit Conference

A similar time schedule will be developed for audits of future fiscal years if District exercises its option for additional audits. At a minimum, the following conferences should be held by the dates indicated on the schedule:

Entrance conference to commence audit work To be decided

The purpose of this meeting will be to discuss prior audit concerns, year end and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Progress conference To be decided

The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested.

Progress conference To be decided

The purpose of this meeting will be to discuss the year-end work to be performed.

Exit conference To be decided

The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

D. Date Final Report is Due

The District shall provide draft transmittal letter notes, statistical data, and Management's Discussion and Analysis by November 5, 2020. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance by November 10, 2020. A revised report, including draft auditor's reports shall be delivered or emailed to the District by November 15, 2020.

The Director of Finance and the key Finance personnel will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. The District strives to have the final report presented to the Board in early December. In no case shall the final signed report be emailed to the District after the deadline for the last December Board Meeting.

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V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR BY DISTRICT

A. Finance and Administration Department and Clerical Assistance

The auditor will be given access to the records of the District and reasonable access to District staff for the purpose of interviews and the verification of items within the terms of the audit. Sufficient help will be made available to the auditor for such items as the pulling and re-filing of accounting records. The preparation of confirmations will be the responsibility of the District. It is expected that the auditor will organize work in such a way as to minimize disruption of work of the District staff.

B. Statements and Schedules to be Prepared by the Staff of the District

The staff of the District will prepare the following statements and schedules for the auditor. Additional statements or schedules may be prepared if mutually agreed upon in advance:

Revenue and Expense Report	Expense Summary Report
Signed and Typed Confirmations	Bank Reconciliations
Cash and Investments	Interest Receivable & Income Detail
Accounts Receivables Listing	Due to / Due From
Fixed Asset Schedule	Accounts Payable Listing
Payroll Detail	Compensated Absences
Debt Agreements	Bonds Payable
Capital Lease Detail	Board Minutes
Assistance with Footnote Disclosures	

C. Work Area and Office Equipment

The District will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photo copying facilities, FAX machines, a Personal Computer for account inquiries and internet access.

D. Report Preparation

the auditor shall be responsible for report preparation, editing and printing for all agencies.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the

request for proposals must be made to:

Emailed to tinarivera@vrsd.com

CONTACT WITH PERSONNEL OF THE DISTRICT OTHER THAN ABOVE REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals

The following material is required to be received by 5 p.m., February 28, 2020 for a proposing firm to be considered:

a. The Proposal must include the following:

1. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

2. Table of Contents

3. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

4. Detailed proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

5. Executed copies of Proposer Warranties, attached to this Request for Proposals (Appendix D, Page 26).

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should

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demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals requirements.

The technical proposal should address all the points outlined in the Request for Proposals (excluding any cost information which should only be included in the dollar cost bid). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the Request for Proposals. While additional data may be presented, the following subjects, items Nos. 2 through 7, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the District as defined by generally accepted auditing standards and generally accepted government auditing standards.

3. License to Practice in California

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Upon availability the firm is requested to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant in California. The firm also should provide information on the government auditing

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experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality and the continuity of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the District which retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (minimum 3) performed in the last five years that are similar to the engagement described in this Request for Proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, and the name and telephone number of the principal client contact.

7. Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals (i.e. proposed segmentation of the engagement; approach to be taken to gain and document an understanding of the District's internal control structure).

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals.

The total all inclusive maximum price to be bid is to contain all direct and

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indirect costs including all out-of-pocket expenses and should follow the format as outlined in Appendix C, Part I and II, Page 17 and 18.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost bid should include the following information:

- Name of Firm
- Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the District
- A Total All-inclusive Maximum Price for the engagement years

2. Rates by Partner, Specialist, Supervisory and Staff Level

The second page of the dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in attachment Appendix C, Part II. The cost of special services described in Section II, Paragraph E of this request for proposals should be disclosed as separate components of the total all-inclusive maximum price using the format provided in Appendix C, Part I.

3. Rates for Additional Professional Services

If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this Request for Proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the proposal.

4. Manner of Payment

Progress payments will be made within 30-days of billing and completion of the following:

- 33% upon completion of interim
- 33% upon completion final fieldwork
- 34% upon delivery of all final reports.

D. Sample Contract

1. Provided in Appendix E is sample of the proposed contract for your firm's services. Please review and indicate modifications required, if any by your firm.

VII. EVALUATION PROCEDURES

A. Review of Proposals

Proposals submitted will be evaluated by key District personnel who will first review and evaluate the technical proposal by criteria described in Section VII B below. After the technical section has been reviewed and evaluated, the qualified firms will be evaluated based on total all-inclusive dollar bid.

The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- The audit firm is independent and licensed to practice in California.
- The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

2. Technical Qualifications

- Expertise and Experience
 1. The firm's past experience and performance on comparable District engagements.
 2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
 3. In addition, upon availability, special consideration will be given to the firms submitting a copy of its most recent external quality control review report and the firm that has a record of quality audit work. Please note this is not a mandatory requirement.

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- Other

1. Audit approach
2. Adequacy of proposed staffing plan for various segments of the engagement
3. Ability to meet time table set forth
4. Assurance on continuity of staff

3. Price:

Cost will not be the only factor in the selection of an audit firm.

C. Oral Presentation

During the evaluation process, the District may, at its discretion, request any one, all, or no firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The District will select a firm based upon the recommendation of the key Finance and Administration Department personnel.

It is anticipated that a firm will be selected by April 2020. Following notification of the firm selected, it is expected a contract will be executed between both parties within 2 weeks.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right without prejudice to reject any or all proposals.

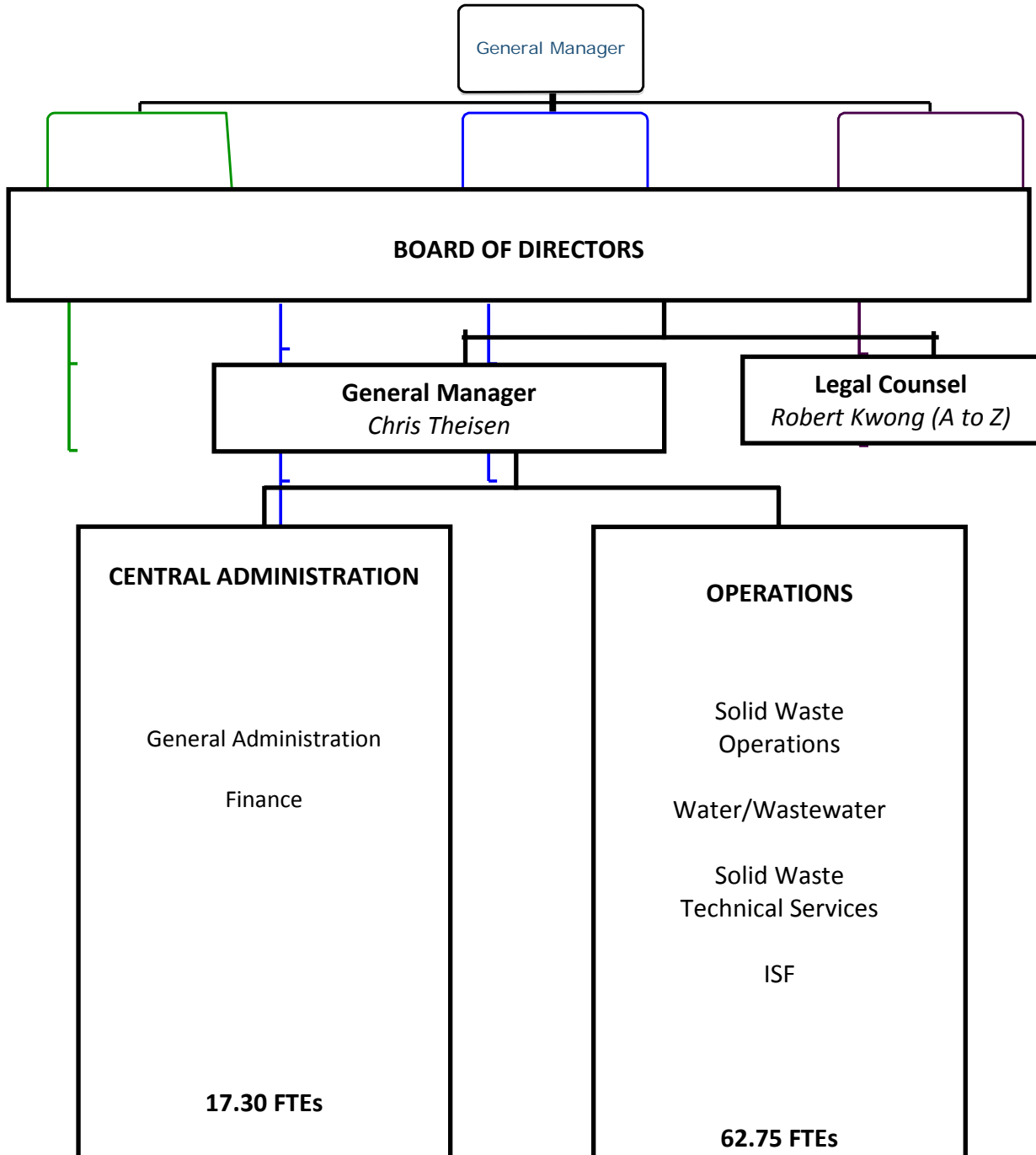
F. Insurance

Proposer shall maintain such insurance as will protect it from claims under Workers' Compensation laws, and such liability insurance as will protect against claims for damages for bodily injury, including death, and damages to property in accordance with the terms of the Agreement. Coverage of which is to be no less than \$1,000,000/\$2,000,000 per occurrence/aggregate, with the District named as an additional insured.

The proposing firm must be willing and able to obtain an errors and omissions insurance policy for coverage of no less than \$1,000,000 per occurrence for the willful or negligent acts of the firm and its officers, employees and agents. Proposer shall maintain evidence of coverage in an updated form during the term of the Agreement.

"APPENDIX A"

ORGANIZATIONAL CHART



"APPENDIX B"

LIST OF KEY PERSONNEL

VENTURA REGIONAL SANITATION DISTRICT

Board of Directors

Bert Perello, Chairman – City of Oxnard
Jim Friedman, Chairman Elect – City of San Buenaventura
Kevin Kildee – City of Camarillo
Mark Austin – City of Fillmore
William Weirick – City of Ojai
Laura Hernandez – City of Port Hueneme
Rick Araiza – City of Santa Paula
Ed Jones – City of Thousand Oaks
Al E. Fox (Camarosa Water District) – Special Districts

Staff

Chris Theisen – General Manager
Alvertina Rivera – Director of Finance
Matthew Baumgardner – Director of Operations
Richard Jones – Water/Wastewater Operations Superintendent
Melissa Grisales – Human Resources Manager
Michael Castro – Senior Management Analyst
Regina Williams – Senior Accountant

Legal Counsel

Robert Kwong (Arnold LaRochelle Matthews VanConas & Zirbel LLP)

"APPENDIX C" PART I

ALL INCLUSIVE DOLLAR BID

SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF
FINANCIAL STATEMENTS

Described in the Request for Proposals Section II:

	FY 19-20	FY 20-21	FY 21-22
VENTURA REGIONAL SANITATION DISTRICT Comprehensive Annual Financial Report	\$	\$	\$
Saticoy Sanitation District Financial Report	\$	\$	\$
VCREA Financial Report	\$	\$	\$
Single Audit (if applicable)	\$	\$	\$
Out-Of-Pocket			
Meals, Lodging, Transportation	\$	\$	\$
Other (Specify):	\$	\$	\$
(Any discounts or adjustments)	\$	\$	\$
Total All-Inclusive Maximum price	\$	\$	\$

"APPENDIX C"

PART II

**SCHEDULE OF PROFESSIONAL SERVICES
FOR ADDITIONAL SERVICES**

	STANDARD HOURLY RATE	QUOTED HOURLY RATE (IF DIFFERENT)
PARTNERS	\$	\$
JUNIOR PARTNERS	\$	\$
MANAGERS	\$	\$
SUPERVISOR STAFF	\$	\$
STAFF	\$	\$
OTHER (SPECIFY)	\$	\$
	\$	\$
	\$	\$
	\$	\$

"APPENDIX D"

PROPOSER WARRANTIES

The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the District.

Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _

Name (typed): _

Title: _

Firm: _

Date: _

"APPENDIX E"

CONTRACT NO. XX-XXX

**AGREEMENT FOR AUDITING SERVICES
BETWEEN
VENTURA REGIONAL SANITATION DISTRICT
AND
XXX**

THIS AGREEMENT is made and entered into this ____ day of _____ by and between the VENTURA REGIONAL SANITATION DISTRICT, a public agency formed pursuant to California Health & Safety Code Section 4700 et seq., hereinafter "DISTRICT", and _____, hereinafter "AUDITOR".

RECITALS

- A. DISTRICT is a public local government unit operating under the laws of the State of California which require that the financial records of each public agency be reviewed annually by an independent third-party auditor who shall render its opinion on the condition and accuracy of said financial records.
- B. DISTRICT has selected AUDITOR as best qualified due to past knowledge of DISTRICT. The selection procedure is in conformance with DISTRICT Purchasing Resolution No. 89-13.
- C. AUDITOR has represented itself to be qualified as a Certified Public Accountant, duly authorized to practice and licensed as such by the California State Board of Accountancy, possessing the skills, knowledge and experience necessary to conduct said audit.
- D. The parties enter into this Agreement to set forth their respective rights and obligations.

AGREEMENT

ARTICLE 1: EMPLOYMENT AND KEY PERSONNEL

- A. DISTRICT employs AUDITOR to perform the auditing services set forth herein. AUDITOR accepts said employment and agrees to perform said work and services in accordance with the terms of this Agreement.
- B. (NAME), shall be personally in charge of and personally supervise or perform the technical execution of services on a day-to-day basis on behalf of AUDITOR and shall maintain direct communication with the person designated as DISTRICT Engagement Manager.
- C. Should the above individual be unable to complete his or her responsibilities for any reason, he/she shall be replaced by another qualified person whom DISTRICT finds satisfactory as a substitute. If

AUDITOR fails to make a required replacement within 15 calendar days, DISTRICT may, at its sole option, terminate this Agreement immediately upon giving a written notice of termination.

ARTICLE 2: SCOPE OF SERVICES

AUDITOR agrees to perform the specified professional services as described in Exhibit "A" which is incorporated by reference herein.

ARTICLE 3: AUTHORIZATION AND COMPLETION OF WORK

Auditing services for work outlined in Article 2 shall be rendered only upon execution of this agreement. AUDITOR shall begin work promptly upon execution of the Agreement and pursue the work diligently to assure completion on a timely basis. All contractual work shall be completed in a timely manner.

ARTICLE 4: COMPENSATION

Fees for services provided in Article 2 of this agreement shall not exceed \$_____ and are outlined in Exhibit "B", the Cost Proposal.

A. Direct Salary Cost

For the time of all personnel employed by AUDITOR, the fees payable by DISTRICT shall be ascertained by multiplying the number of hours worked by each classification of employee on the Engagement by the appropriate hourly rates shown in the Cost Proposal, incorporated by reference herein.

B. Progress Payments

DISTRICT shall pay AUDITOR within 30 days of receiving invoice in accordance with the following payment schedule and contract amounts.

upon completion of interim fieldwork - 33% of maximum contract amount
upon completion final fieldwork - 33% of maximum contract amount
upon delivery of all final reports - 34% of maximum contract amount.

C. Performance

No payment made under the Agreement, except the final payment, shall be conclusive evidence of the performance of the Agreement, either wholly or in part, and no payment shall be construed to be an acceptance of AUDITOR's work. Nothing in this paragraph shall bind DISTRICT to make the final payment or to provide or accept a statement that the work has been completed if DISTRICT determines the work has not been completed in accordance with this Agreement.

ARTICLE 5: INDEMNIFICATION AND HOLD HARMLESS

AUDITOR agrees to defend, indemnify and hold harmless DISTRICT and its officers, agents and employees from and against any and all liability, damages, costs, losses, claims and expenses, however caused, resulting directly or indirectly from or connected with AUDITOR's performance of this Agreement (including, but not limited to such liability, cost, damage, loss, claim or expense arising from the death of or injury to, or damage to property of, AUDITOR, DISTRICT or their respective employees or agents), regardless of the active or passive negligence of DISTRICT, except where such liability, damages, costs, losses, claims or

expenses are caused solely by the negligent or wrongful acts or omissions of DISTRICT or any of its agents or employees.

ARTICLE 6: INSURANCE

AUDITOR shall provide and keep in effect during the term of this Agreement insurance as follows:

- A. Workers' Compensation and Employer's Liability in accordance with applicable laws.
- B. Comprehensive Commercial Liability policies with combined single limit coverage of at least \$1,000,000 for any personal injury, death, or property damage.
- C. Comprehensive Automobile Liability policies with combined single limit coverage of at least \$1,000,000 for personal injury, death, or property damage.
- D. Professional Liability coverage with minimum limits of \$1,000,000 in full force and effect during the life of this Agreement.

AUDITOR shall provide certificates of such insurance to DISTRICT prior to the start of work. Said certificates shall specifically provide that: (1) DISTRICT is an additional insured for the coverage in Items B and C above; (2) any other insurance coverage applicable to the loss shall be deemed excess coverage and AUDITOR's insurance shall be primary for the coverage in Items B and C above; (3) in the event of AUDITOR's professional liability, AUDITOR's insurance shall respond for the coverage in Item D above; and (4) such insurance shall not be terminated or canceled without thirty (30) days' prior written notice having been given DISTRICT at its address set forth in this Agreement, except that ten (10) days' written notice shall be acceptable in the case of cancellation for nonpayment. The cost of all such insurance and certificates provided shall be borne by AUDITOR.

Should AUDITOR use the services of a subcontractor, AUDITOR shall require that the subcontractor provide and keep in effect identical insurance to that which AUDITOR is required to provide pursuant to the terms of this Article 6 and shall require that the subcontractor provide certificates of insurance to AUDITOR and DISTRICT prior to the time the subcontractor starts work, which certificate shall be in the same form as AUDITOR is required to provide to DISTRICT.

ARTICLE 7: CHANGE ORDERS

No change to Exhibit "A" hereto, or to any other provision of this Agreement, may be made except by a written amendment signed by AUDITOR and DISTRICT and must be consistent with the provisions of the DISTRICT Purchasing Policy.

ARTICLE 8: INDEPENDENT CONTRACTOR RELATIONSHIP

A. It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of AUDITOR to DISTRICT being that of an independent contractor. DISTRICT shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to AUDITOR.

B. AUDITOR is solely responsible for selecting the means, methods, and procedures for doing the work assigned, and for coordinating all portions of the work so the results will be satisfactory to DISTRICT.

AUDITOR will supply all tools and instrumentalities required to perform its services under the Agreement, except as outlined in Exhibit A.

C. AUDITOR pursuant to this Agreement is rendering professional services only and any payments made to it are compensation solely for such services as it may render and recommendations it may make in the performance of services.

ARTICLE 9: INFORMATION, LIAISON, AND ASSISTANCE

DISTRICT agrees to provide AUDITOR all available information and assistance in regard to obtaining any work performed by DISTRICT or others in connection with the Engagement, including, but not limited to: working paper, spreadsheets, computer printouts, prior audit reports, which are available to DISTRICT and are required in connection with AUDITOR services under this agreement. AUDITOR shall maintain all such information in a confidential manner and AUDITOR shall not release such information to any person or agency without DISTRICT's written approval.

ARTICLE 10: CONFIDENTIAL RELATIONSHIP/TITLE TO DOCUMENTS

AUDITOR agrees that all dealings of the parties under this Agreement shall be confidential and no report, data, information or communication developed, prepared or assembled by AUDITOR under this Agreement, or any information made available to AUDITOR by DISTRICT, shall be revealed, disseminated or made available by AUDITOR to any person or entity other than DISTRICT without the prior written consent of DISTRICT. All data, working papers, spreadsheets and other documents developed, prepared, completed or acquired by CONSULTANT during the performance of its services hereunder shall be turned over to DISTRICT upon termination of this Agreement.

ARTICLE 11: COMPLIANCE WITH LAWS

AUDITOR shall be solely responsible for giving all notices and complying with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority relating to AUDITOR work, the safety of the persons or property involved, and their protection from damage or injury. AUDITOR shall defend, indemnify and hold DISTRICT harmless from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorneys' fees and costs, brought or recovered against DISTRICT, for or on account of any liability under said laws, ordinances, rules, regulations and orders which may be incurred by reason of any work to be performed by AUDITOR with this Agreement.

ARTICLE 12: NOTICES

All notices or other official correspondence relating to contractual matters between the parties hereto shall be made by depositing same first-class, postage paid mail addressed as follows:

To AUDITOR:

To DISTRICT: VENTURA REGIONAL SANITATION DISTRICT

Director of Finance
1001 Partridge Drive, Suite 150
Ventura CA 93003-0704

or to such other address as either party may designate hereinafter in writing delivered to the other party. All notices shall be deemed to have been received three (3) days after mailing.

ARTICLE 13: TERMINATION OF SERVICES

Either party may, without cause, terminate the Agreement no more than 30 days after the completion of each fiscal year's audit by providing, in writing, a 30-day notice to the other party. The DISTRICT shall compensate AUDITOR for any work performed up through the date of the notice of termination.

ARTICLE 14: ASSIGNMENT

Neither party shall assign nor transfer its interest in this Agreement without the written consent of the other.

ARTICLE 15: NO WAIVER

No failure or delay by DISTRICT in asserting any of DISTRICT's rights and remedies as to any default of AUDITOR shall operate as a waiver of the default, of any subsequent or other default by AUDITOR, or of any of DISTRICT's rights or remedies. No such delay shall deprive DISTRICT of its right to institute and maintain any action or proceeding which may be necessary to protect, assert or enforce any rights or remedies arising out of this Agreement or the performance of this Agreement.

ARTICLE 16: EXAMINATION OF RECORDS

AUDITOR agrees DISTRICT shall have access to and the right to examine any directly pertinent books, documents, papers, and records of AUDITOR and all the transactions relating to this Agreement.

ARTICLE 17: TERMS

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.

ARTICLE 18: PARTIAL INVALIDITY

If any term, covenant, condition or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

ARTICLE 19: INCORPORATION OF RECITALS

The foregoing recitals are incorporated herein as though fully set forth.

ARTICLE 20: CALIFORNIA LAW

This Agreement shall be interpreted and construed pursuant to the laws of the State of California. The parties agree that should litigation arising from this Agreement be commenced within California, such litigation shall occur within a court of competent jurisdiction within the County of Ventura.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

VENTURA REGIONAL SANITATION DISTRICT

XXX

By _____
XXXX, Chair

By _____
XXX

APPROVED AS TO FORM:

ARNOLD, LaROCHELLE, MATHEWS,
VANCONAS & ZIRBEL, LLP

By _____
ROBERT KWONG, Counsel _____

ATTEST:

By _____
JULIET RODRIGUEZ
Clerk of the Board