Report to Finance Subcommittee

TO: Finance Subcommittee

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: May 28, 2019

TITLE: APPROVAL OF AGREEMENT FOR PROFESSIONAL AUDITING SERVICES

RECOMMENDED ACTION

Staff recommends that the Finance Subcommittee:

1. Review the finalist from the Professional Auditing Services RFP; and

2. Make the recommendation that the City Council approve the agreement with the successful firm and authorize the City Manager to sign the Agreement and the additional amendments to extend the contract, up to a maximum of five years, as appropriate.

SUMMARY

The professional auditing services for reporting period ending June 30, 2019 contracted with Vasquez & Company, LLP ends after five consecutive years of service. In March 2019 a new RFP for Professional Auditing Services was issued by the City.

In response to the RFP, eight proposals were received and thoroughly evaluated by an evaluation team. The list of firms was reduced to the three top proposals and those three firms were interviewed by the selection committee.

Staff is recommending the selection of Rogers, Angerson, Malody & Scott, LLP as they are the lowest qualified bidder of the three firms interviewed.

The proposed initial agreement with the successful firm will be for three years but can be terminated at any time by either party. Based upon the City Council policy and the audit firm’s performance during the initial three-year period, the City may elect to renew the agreement with the successful firm for up to two additional years.
BACKGROUND

Since 2000, it has been the City’s practice to change auditing firms or firm’s audit partner no less than every five years to ensure independence of the audit function. This best practice exposes the City’s financial transactions, policies, procedures and internal controls to a new set of eyes every three to five years. The current contract with Vasquez & Company, LLP to provide professional auditing services will conclude after the financial reporting period ending June 30, 2019.

The Finance Subcommittee serves as the primary contact with the audit firm on behalf of the City Council. It is appropriate that the Finance Subcommittee guides the selection of the firm to ensure that they are comfortable having a working relationship with the audit partner. This ensures the independence of the audit.

A Request for Proposals (RFP) for Professional Auditing Services was developed by staff and issued March 11, 2019 using our online bid portal, Planet Bids. The purpose of the RFP was to solicit proposals from companies specializing in professional auditing services to audit all City funds and express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted auditing standards. In addition to providing auditing services, the proposal included review of the Comprehensive Annual Financial Report and preparation of the State Controller’s Reports, the Child Care report, and the Single Audit report.

The organizations or programs to be audited include, but are not limited to the City of Moreno Valley, Moreno Valley Community Services District, the Successor Agency of Moreno Valley, the Child Care Program, and the Single Audit of Federal Grants.

DISCUSSION

In response to the RFP for Professional Auditing that was distributed in March 2019, the following eight firms submitted proposals by the deadline of April 11, 2019 (listed alphabetically):

- Badawi & Associates
- Eadie & Payne, LLP
- Lance, Soll & Lunghard, LLP
- Rogers, Anderson, Malody & Scott, LLP
- The Pun Group, LLP
- Vasquez & Company, LLP
- Vavrinek, Trine, Day & Company, LLP
- White Nelson Diehl Evans, LLP

Proposals from the above companies were evaluated by staff of the Financial & Management Services Department and following a comprehensive review of the eight proposals, three firms listed below were selected for interviews with the evaluation team:

- Lance, Soll & Lunghard, LLP
The original RFP and the complete responses submitted for each of these three firms are attached for Finance Subcommittee review. The company profiles that were included in the RFPs have been included in the staff report to provide some background.

**Lance, Soll & Lunghard, LLP (LSL)** is a statewide public accounting firm that has met the auditing needs of governmental entities throughout California for nearly 90 years. This experience has led LSL to develop efficient procedures that provide numerous client benefits with three California offices in Brea, Santa Ana, and Sacramento. More than 100 accounting and audit professionals serve clients from the California offices.

**Rogers, Anderson, Malody & Scott, LLP (RAMS)** was founded in 1948 and is located in San Bernardino, California. RAMS is a full service firm, with specialists in auditing, reviews and compilations, tax planning and preparation, as well as business consulting. The diverse experience and accessibility of the professionals in these areas help RAMS to provide a comprehensive approach to a wide variety of needs. Their goal is to provide the highest quality services at the most reasonable rates. With over 70 years of public practice experience they specialize in governmental agency and not-for-profit organization auditing.

**Vasquez & Company, LLP** has performed numerous financial and compliance audits of governmental entities in it's 50 years of providing professional auditing services and are a part of the RSM US Alliance which provides access to resources, tools and expertise. Vasquez & Company, LLP has worked extensively with governmental entities and has been our independent auditing firm for the last 5 fiscal years.

Staff is recommending the selection of Rogers, Angerson, Malody & Scott, LLP as they are the lowest qualified bidder of the three firms interviewed.

**ALTERNATIVES**

The following alternatives are available to the Finance Subcommittee:

1. Review the proposals of the three firms interviews and recommend that the City Council approve the proposed Agreement for Professional Auditing Services between the City and the recommended firm and that the City Manager be authorized to sign the Agreement and any additional contract amendments for the extension of the contract dates as appropriate.

2. Do not select the recommended firm and provide staff with further direction.

Staff recommends Alternative No. 1.

**FISCAL IMPACT**
The following table depicts the fee structure proposed by each of the three finalists and an example of what the costs would be for the first year of the contract, the 3 year cost of the contract, the 5 year cost of the contract stated in the proposal. These costs include two major programs for the Single Audit.

<table>
<thead>
<tr>
<th>FY 19/20</th>
<th>Year 1</th>
<th>3 year cost</th>
<th>5 year cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rogers, Anderson, Malody &amp; Scott, LLP</td>
<td>$69,810</td>
<td>$211,070</td>
<td>$356,090</td>
</tr>
<tr>
<td>LSL CPAs and Advisors</td>
<td>$71,695</td>
<td>$215,085</td>
<td>$362,779</td>
</tr>
<tr>
<td>Vasquez &amp; Company, LLP</td>
<td>$76,075</td>
<td>$230,507</td>
<td>$389,572</td>
</tr>
</tbody>
</table>

The Financial Operations Division currently has included $80,570 in the adopted budget related to professional auditing service contracts for FY 2019/20. The following table shows the annual costs that have been contracted for this service during the past 5 audited fiscal years.

<table>
<thead>
<tr>
<th>Fiscal Year Audited</th>
<th>Annual Contract Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018-19</td>
<td>$80,570</td>
</tr>
<tr>
<td>FY 2017-18</td>
<td>$78,223</td>
</tr>
<tr>
<td>FY 2016-17</td>
<td>$78,223</td>
</tr>
<tr>
<td>FY 2015-16</td>
<td>$75,944</td>
</tr>
<tr>
<td>FY 2014-15</td>
<td>$75,944</td>
</tr>
</tbody>
</table>

The proposed Agreement with the successful firm will cover fiscal years 2019/2020 thru FY 2021/2022 (ending June 30, 2022). Upon mutual consent, the Agreement may be extended for two additional fiscal years, through June 30, 2024.

**CITY COUNCIL GOALS**

*Revenue Diversification and Preservation:* Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

**ATTACHMENTS**

Attachment 1 – Request for Proposal for Professional Auditing Services  
Attachment 2 – Lance, Soll & Lunghard, LLP Proposal  
Attachment 3 – Rogers, Anderson, Malody & Scott, LLP Proposal  
Attachment 4 – Vasquez & Company, LLP Proposal  

Prepared By:  
Dena Heald  
Financial Operations Division Manager

Department Head Approval:  
Marshal Eyerman  
Chief Financial Officer / City Treasurer
City of Moreno Valley

Request for Proposal

# 2019-005

Professional Auditing Services

March 11, 2019

Question Deadline:
April 4, 2019, 5:00 pm, PST

Proposal Due Date:
April 11, 5:00 pm, PST

Submit proposal online at:
https://www.planetbids.com/portal/portal.cfm?CompanyID=24660
# Table of Contents

Schedule, Conference, Overview, Proposal Content, Proposer Qualifications ........................................ 1
Overview and Background .......................................................................................................................... 1
Proposal Procedures, Content, Format, Criteria, and Award ................................................................. 3
Proposer Qualifications, Evaluation Criteria, and Award Process ....................................................... 6
Exhibit A: Scope of Services .................................................................................................................... 8
Exhibit B: Pricing .................................................................................................................................... 12
Attachment A: Required Response Template ......................................................................................... 13
Attachment B: Special Provisions .......................................................................................................... 16
Attachment C: Client References ........................................................................................................... 18
Attachment D: Non-Collusion Affidavit ................................................................................................. 19
General Terms & Conditions for Proposals ......................................................................................... 20
Schedule, Overview, Proposal Content, Proposer Qualifications

I. Tentative Schedule of Important Dates

This section provides a tentative schedule of the important milestone dates. Examine these dates carefully and plan accordingly. All times are 5:00pm unless stated otherwise.

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 11, 2019</td>
<td>Request for Proposals (RFP) issue date</td>
</tr>
<tr>
<td>Thursday, April 4, 2019</td>
<td>Deadline to submit questions</td>
</tr>
<tr>
<td>Thursday, April 11, 2019</td>
<td>Proposal due date</td>
</tr>
<tr>
<td>Tuesday, April 23, 2019</td>
<td>Evaluation of proposals completed</td>
</tr>
<tr>
<td>May 13-16, 2019</td>
<td>Interviews with finalists</td>
</tr>
<tr>
<td>May 28, 2019</td>
<td>Finance Sub-Committee Meeting @ 3:45pm</td>
</tr>
<tr>
<td>Tuesday, June 4, 2019</td>
<td>Contract Award (estimated) @ 6pm</td>
</tr>
</tbody>
</table>

Overview and Background

I. Overview of Requirements

A. The City of Moreno Valley (City) has identified the need to request proposals from qualified firms of certified public accountants to audit its financial statements beginning with fiscal year ended June 30, 2020.

B. City requires an audit of all city funds and for the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles detailed in the Scope of Services section.

C. These services will require the completion of multiple reports as a part of the annual audit process as indicated in the Scope of Services section.

D. City is seeking to establish an agreement for a three (3) year initial contract with an option of two (2) additional years.

II. Background and Current Needs Information

A. The City of Moreno Valley serves an area of 50 square miles with a diverse population of approximately 207,629. The City government is divided into 12 departments, the Successor Agency and the Community Services District. These City departments provide services ranging from police and fire services to parks and recreation and library services and electric utility service. The City contracts with Riverside County for police services and with Riverside County/California Division of Forestry for fire services.
B. The accounting and financial reporting functions of the City are centralized in the Finance & Management Services Department.

C. The City of Moreno Valley has a June 30 fiscal year end. The 2018-19 annual budget for the City of Moreno Valley is approximately $224 million (operating and capital). The budgeted personnel cost for the year is approximately $34 million which represents approximately 456 personnel.

D. The complete budget and past CAFRs can be reviewed on the City’s website at the following addresses:

E. City has utilized independent auditors historically and has received an unqualified opinion for the past 34 years.

F. City is currently on our fifth and final year of our contract for auditing services with Vasquez & Company, LLP.

G. The City of Moreno Valley uses the following fund types and account group in its financial reporting:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Number of Individual Funds</th>
<th>Number included in Legally Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Special revenue funds</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Debt service funds</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Capital project funds</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Permanent funds</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Enterprise funds</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Internal service funds</td>
<td>7</td>
<td>NA</td>
</tr>
<tr>
<td>Private-purpose trust funds</td>
<td>1</td>
<td>NA</td>
</tr>
<tr>
<td>Investment trust funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pension trust funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Agency funds</td>
<td>9</td>
<td>NA</td>
</tr>
</tbody>
</table>

H. The City of Moreno Valley participates in the California Public Employees Retirement System (PERS), an agency multiple employer plans. PERS provides actuarial services for the plan.

I. The City of Moreno Valley has a finance oversight committee that meets on a monthly basis, generally to discuss various financial issues, policies and projects prior to being reviewed by the City Council. The committee consists of the following: Two Members of the City Council and the Chief Financial Officer. The Finance Sub-
Committee will evaluate a short list of firms recommended by the Evaluation Team that has been established for the request for proposal process, and will make a recommendation to the City Council regarding the preferred firm.

J. For its general ledger and other financial systems, the City uses New World Systems ERP system developed by Tyler Technologies. File management and email is accomplished using Microsoft Outlook. Application software includes Word, Excel, and Access.

K. The City has received Federal and State financial assistance under the following programs during the year:
   - U.S. Department of Housing and Urban Development (Community Development Block Grants, HOME Partnership, Emergency Solutions Grant, and Neighborhood Stabilization Program)
   - U.S. Department of Transportation
   - U.S. Department of Justice
   - U.S. Department of Energy
   - Other State grants used for Parks and Recreation projects

Proposal Procedures, Content, Format, Criteria, and Award

I. General

A. **Proposal Format:** A proposer must follow the instructions for preparing the proposal in the prescribed format. Section tabs must be utilized in the proposal following the same order of the RFP.

B. **General Terms and Conditions:** Except as otherwise indicated herein, City’s General Terms and Conditions govern rules and definitions of this RFP.

C. **Right to Reject Proposals:** City reserves the right to reject any and all proposals, to waive any non-material irregularities or informalities in any proposal, and to accept or reject any item or combination of items.

D. **Execution of Agreement:** If a Proposer is not able to execute an agreement within 10 days after being notified of selection, City reserves the right to select the next most qualified proposer or call for new proposals, whichever City deems most appropriate. (Sample template of agreement is attached).

E. **Incorporation of RFP/Proposal:** This RFP and the firm’s response, including all promises, warranties, commitments, and representations made in the successful proposal will become binding contractual obligations and will be
incorporated by reference in any agreement between City and Proposer.

F. **Authorized Signatories:** Company personnel signing the cover letter of the proposal or any other related forms submitted must be authorized signers with the requisite authority to represent their firm and to enter into binding contracts.

G. **Validity of Proposals:** Proposed services and related pricing contained in the proposal must be valid for a period of 180 days after the due date.

II. **Proposal Content and Format**

Include the following sections containing the information requested below in your proposal. To enable ease of evaluation, please follow the sequence shown and upload the required documents into the vendor portal in the appropriate sections.

A. **Section 1: Executive Summary**

1. Provide a cover letter of your company’s information including:
   a) Company’s full legal name, address, phone, fax, email, website;
   b) Prior company names (if any);
   c) Organizational structure (corp., LLC, etc.);
   d) Names and titles of the principal owner(s);
   e) Person(s) authorized to make commitments for your company;
   f) Company history, experience (brief), and years in business;
   g) Current number of employees, key personnel;

2. Note any exceptions to any part of City’s scope, specifications, terms or conditions in this letter and explain the reason.

3. Limit this section to a maximum of one page.

B. **Section 2: Supplemental Company Information**

(Optional)

1. Provide any supplemental information not specifically requested by City that you would like City to consider in evaluating your proposal.

2. Ensure information is relevant to City’s current or potential future needs.

3. Limit this section to a maximum of one page.

C. **Section 3: Professional Team Assignments**

1. Note any key personnel who are expected to remain in service until completion of the project and their qualifications.

2. Provide detail regarding the team to be assigned for these services.

3. Provide resumes of all team members.

4. Provide an organizational chart of all team members, titles, and a very brief description of their relevant responsibilities.
5. Limit this section to a maximum of two pages plus resumes and org chart.

**D. Section 4: Proposal Costs**

1. Submit all pricing on *Exhibit B using the form provided.
2. Provide pricing for each of the required line items.
3. Provide pricing for optional proposer recommendations.
4. Payment will be deposited by means of ACH per contract terms.
   * These forms are provided by City in the submittal forms section.

**E. Section 5: Response Template**

1. Complete City-provided Response Template with your answers to City’s questions. Provide thorough responses with sufficient detail to enable City to evaluate your understanding of City’s requirements, the suitability of your services and/or product(s) to meet City’s requirements, the strength of your work plan, previous experience, and available resources.
2. Note these responses carry significant weight in City’s evaluation of your proposal to provide and implement requested services.
3. Limit this section to a maximum of ten pages.

**F. Section 6: Required Forms and Samples**

1. Special Provisions Form*
2. Client Reference List*
3. Non-Collusion Affidavit*
   * These forms are provided by City in the submittal forms section.

**G. Inadequate Content**

1. Note that a proposal is non-responsive if the proposal does not contain all proposal requirements, is not complete, is not received at the right location, and is not received by the proposal deadline, has exceptional or excessive exceptions City may, at its sole discretion, waive minor non-material irregularities and informalities.
2. Do not submit extraneous marketing or promotional information.

**H. Proposal Format**

1. Electronic only: searchable document
2. White paper, 8-½ x 11, page numbered
3. Typed, black print, approximately 11-12 point font
4. Free from excessive graphics or excessive photos
Proposer Qualifications, Evaluation Criteria, and Award Process

I. Proposer Qualifications

The intent of this RFP is to evaluate the proposals, determine the Proposers that are in the competitive range, and select Proposers that will provide the most cost-effective and professional services for City.

A. Minimum Qualifications:

1. Properly licensed to practice in the State of California.
2. Be capable of providing the required services and delivering drafts of reports below to management for review each year:
   a) CAFR – by November 20
   b) Child Care Program Audit Report – by end of October
   c) Single Audit Report – by December 15
3. Maintain current license to practice in the State of California.
4. Have the necessary resources, knowledge, skills, experience, and the like to provide the required services.
5. Have financial stability and the necessary financial resources to provide the required services.

II. Evaluation Criteria

A. Minimum qualifications, Competitive Range, and Award Consideration

The minimum qualifications, competitive range, and award consideration based upon the following criteria

1. City will review the Proposers Qualifications to determine if the Proposer meets or betters the minimum requirements as detailed above.
2. Only Proposers that meet or better the minimum requirements will have their Proposals reviewed for consideration.
3. Only Proposers that are deemed in the competitive range will be considered for presentation, interview, and Best and Final Offer (BAFO) if so requested by City.
4. Only the best-qualified Proposer will be considered for final negotiations of fee/price, scope of services, contract, and award recommendation.

B. Evaluation Criteria

This section defines how the proposal will be judged. Sample criteria and weightings follow:

Minimum Qualifications

20%: Responsiveness to the RFP, communicating an understanding of the overall program and services required.

25%: Experience of Firm
• Demonstration of a full understanding of the work to be performed.
• Ability to provide and meet the requirements of the Scope of Work
• Firm qualifications.

20%: Experience, qualifications and capabilities of the assigned project team members.

25%: Approach to project
• Description of project approach
• The quality of the firm’s standard statements and reports
• Online reporting tools.
• The ability to provide a smooth transition from the current advisors.

10%: Fees.
Fees will be evaluated using a low to high rating with the lowest bid receiving the most points and the highest bid receiving the least points.

C. Fee/Price Evaluation
1. Reasonableness of fee requested to do the work, as originally proposed.
2. Reasonableness of any BAFO requests.
3. Final negotiations.

III. Award
A. After the proposals have been reviewed by the Review Team, a Notification of Intent to Award may be sent to any Proposer selected. City may make multiple awards.

B. Award is contingent upon the successful negotiation of final contract terms and the approval of City. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully, City may negotiate a contract with the next best qualified Proposer or withdraw the RFP. In the event City does not approve the recommendation to award, the RFP may be cancelled without any cost or obligation of City.

C. The contract term is expected to be for five (5) years.
D. Prices are firm fixed prices during each contract period.
Exhibit A: Scope of Services

I. General

A. The City of Moreno Valley is a municipal governmental agency which provides Police, Fire, Rescue and Emergency Medical Services to approximately 200,000 residents in Moreno Valley. In addition, the City maintains several hundred miles of public streets, City parks and libraries. The City also has its own Electric Utility Department which provides electric services to its businesses and residents.

B. This Scope of Services is intended to be thorough. However, the City relies on the professionalism and competence of the Proposers to be knowledgeable of the general areas identified and to recommend any additions or corrections of the Scope of Services.

II. Specific

A. The City of Moreno Valley desires the external auditor (respondent) to audit all city funds and express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles. The respondent shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. The respondent shall provide opinions as to the compliance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

B. The CAFR will be prepared by City staff. The audit firm will render its auditors report on the basic financial statements, which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to the Management’s Discussion and Analysis and required supplementary information pertaining to the General Fund and each major fund.

C. Organizations or programs to be audited:
   1. City of Moreno Valley (the “City”)
   2. Moreno Valley Community Services District
   3. Moreno Valley Community Services District
   4. Child Care Program
   5. Single Audit of Federal Grants
D. To meet the requirements of this request for proposal, the audit shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA),
3. Provisions of the Single Audit Act,
4. Provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and

E. Special Considerations: The City of Moreno Valley will send its comprehensive annual financial report (CAFR) to the Government Financial Officers Association of the United States and Canada (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program. The City of Moreno Valley has received this award for the past twenty years. It is anticipated that the auditor will not be required to provide special assistance to the City of Moreno Valley to meet the requirements of that program.

F. The City of Moreno Valley currently anticipates that it will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor’s report thereon. The auditor shall be required, if requested by the fiscal advisor and or the underwriter, to issue a “consent and citation of expertise” as the auditor and any necessary “comfort letters”.

G. The City of Moreno Valley has determined that the U.S. Department of Housing and Urban Development functions as the cognizant agency in accordance with the provisions of the Single Audit Act.

H. The Schedule of Expenditures of Federal Awards and related external auditor’s report as well as the reports on the internal control structure and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately.

I. The City of Moreno Valley anticipates the need for assistance from the respondent to comply with GASB pronouncements that take effect during the term of the contract. The level of assistance to be provided will be discussed on a case by case basis and mutually agreed upon by respondent and the Chief Financial Officer.

J. The respondent will provide a comprehensive review of all statements, footnotes, and supplementary information
included in the CAFR and other reports issued as a result of this engagement.

K. The audit firm may be requested to present the City’s and Special District’s financial statements and any audit findings to the Finance Sub-Committee and/or the City Council.

L. The City of Moreno Valley obtains grants from various State of California agencies and desires to meet the audit requirements in the most cost efficient method possible. This may require some additional audit services as mutually agreed upon by the respondent and the City of Moreno Valley.

M. All working papers and reports must be retained at the auditor’s expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of Moreno Valley 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: City of Moreno Valley, U.S. Department of Housing and Urban Development (HUD), U.S. General Accountability Office (GAO), Auditors of entities of which the City is a sub-recipient of grant funds. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

N. 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 all entities listed above.

2. A report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. (Single Audit).


4. A schedule of findings and questioned costs (Single Audit).

5. A report on and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

6. The California State Controller’s Reports, including electronic transmission.

In the required reports on internal controls the auditor shall communicate 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.
Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The reports on compliance shall include all instances of noncompliance.

Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Council of the City of Moreno Valley, City Manager, City Attorney and Chief Financial Officer.

Auditors shall assure themselves that the Finance sub-committee of the City Council is informed of each of the following:

- The auditor’s responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Auditor’s judgments about the quality of the entity’s accounting principles
- Disagreements with management
- Management consultation with other accountants
- Difficulties encountered in performing the audit

End of Scope of Services
# Exhibit B: Pricing

EXHIBIT B

CITY OF MORENO VALLEY  
RFP #2019-005  
PROFESSIONAL AUDIT SERVICES

COST PROPOSAL SUMMARY

Section I

<table>
<thead>
<tr>
<th>AUDIT WORK MULTI-YEAR COST PROPOSAL</th>
<th>Engagement Contract Years</th>
<th>Optional Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019-20</td>
<td>FY 2020-21</td>
<td>FY 2021-22</td>
</tr>
<tr>
<td>FY 2022-23</td>
<td>FY 2023-24</td>
<td></td>
</tr>
</tbody>
</table>

| CITY AUDIT AND RELATED REPORTS      | $ - $ - $ - $ - $ -      |
| GANN LIMIT REVIEW REPORT           | $ - $ - $ - $ - $ -      |
| CSD AUDIT AND SPECIAL REPORTS      | $ - $ - $ - $ - $ -      |
| CHILD CARE GRANT AUDIT AND RELATED REPORTS | $ - $ - $ - $ - $ - |
| STATE CONTROLLERS REPORTS (CITY AND CSD) | $ - $ - $ - $ - $ - |
| SINGLE AUDIT AND RELATED REPORTS   | $ - $ - $ - $ - $ -      |
| TOTAL PER FISCAL YEAR              | $ - $ - $ - $ - $ -      |

<table>
<thead>
<tr>
<th># of Hours</th>
<th>Hourly Rate</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>$ - $ - $ -</td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>$ - $ - $ -</td>
<td></td>
</tr>
<tr>
<td>Senior Auditor</td>
<td>$ - $ -</td>
<td></td>
</tr>
<tr>
<td>Staff Auditor</td>
<td>$ - $ -</td>
<td></td>
</tr>
<tr>
<td>Clerical</td>
<td>$ - $ - $ -</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>$ - $ - $ -</td>
<td></td>
</tr>
<tr>
<td>Out of Pocket Expenses</td>
<td>$ - $ - $ -</td>
<td></td>
</tr>
</tbody>
</table>

Total all-inclusive maximum price for the 2019-20 audit. $ - $ - $ -

Section II

SCHEDULE OF BILLING RATES FOR SUPPLEMENTAL SERVICES

<table>
<thead>
<tr>
<th>Partner</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>$ -</td>
<td></td>
</tr>
</tbody>
</table>


Attachment A: Required Response Template

(Bidder’s Company Name)

Instructions:

Prospective proposers must provide the information requested below and include it in their proposal. City has provided the form as a separate Word document for bidder’s use. Use this form or copy and paste it into your own document; in either case, please provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary; and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

Please provide the following information about your company:

A. Your company’s full legal name, address, phone, fax, email, website, including TAX ID number.

B. Prior company names (if any) and years in business; mergers, buyouts, etc.

C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).

D. Names and titles of the principal owner(s).

E. Person(s) authorized to make commitments for your company.

F. Company history, experience, years in business for current company name.

G. The number of clients (including governmental) served in past and present.

H. Special qualifications, training, credentials, recognition, or awards.

I. Contracts terminated for cause, pending litigation or legal issues.
II. **Resources: Staffing, Facilities, Equipment**  
Provide the following information relative to required services:  

A. Names and titles of key management personnel.

B. Team to be assigned for these services.

C. Qualifications of specific individuals who will work on the project.

D. Amount of time and involvement of key personnel who will be involved in respective portions of the project.

E. Resumes of all team members; provide only names and titles only; attach current resumes to proposal.

F. Current number of employees: full-time and part-time employees.

G. Names of any subcontractor’s you propose to use for our contract. Provide only names here; fill in the details on City-provided Subcontractors List.

H. Facilities that would be utilized to perform the required work.

I. Equipment that would be utilized to perform the required work.

III. **Demonstrated and Technical Experience**  
Please describe your company’s:

A. Demonstrated record of success on work previously performed.

B. Specific method and techniques to be employed on the project or problem.
IV. Work Plan:

Taking all circumstances, current conditions, and required preparations into consideration, describe in detail, your proposed work plan for delivering the services required by this RFP, including, but not limited to;

A. How you will schedule professional staff to ensure milestones and deadlines are met?

B. Provide required response time to the urgent service requests.

C. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

D. Provide any other relevant information that you believe would benefit City for the requested services.

Submitted by:

<table>
<thead>
<tr>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
</tr>
<tr>
<td>Title</td>
</tr>
<tr>
<td>Signature</td>
</tr>
<tr>
<td>Email</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>
Attachment B: Special Provisions

All items below apply to this bid proposal:

**Hold Harmless and Indemnification:** The successful bidder hereby agrees to indemnify, defend, and hold harmless City (including its officials, officers, agents, employees, and representatives) from and against any and all claims of any kind or nature presented against City arising out of vendor's (including vendor's employees, representatives, and subcontractors) performance under this agreement, excepting only such claims, costs or liability which may arise out of the sole negligence or willful misconduct of City.

**Insurance Provisions:** Unless otherwise stated in the RFP specifications, the following insurance requirements apply:

1. Comprehensive General Liability Insurance: (include products liability) $1,000,000 per occurrence.
2. Auto Liability Insurance: $1,000,000 per occurrence, combined single limit (CSL).
3. Workers' Compensation Insurance: as required by State statutes.
4. Employer's Liability Insurance: $1,000,000 per accident; $1,000,000 policy limit for disease.
5. All policies of insurance must provide for a minimum of thirty (30) days written notice of any change or cancellation of the policy.
6. Insurance policies to be in a form and written through companies acceptable to City; and must include those endorsements which are necessary to extend coverage which is appropriate to the nature of the agreement.

**Affirmative Action:** In support of Affirmative Action, City requires all suppliers to comply with Title VII of the Civil Right Act of 1964, as amended, the Civil Rights Act of 1992, and all federal, state, and municipal laws and regulations pertaining thereto. In addition, successful bidders must certify prior to award of contracts in excess of $50,000 that they have a written affirmative action plan in compliance with the above laws and regulations, and such plan may be reviewed by City. Said Certification may be made by signing below:

Certified to above - FIRM: __________________________
SIGNATURE: __________________________
PRINT NAME: __________________________
TITLE: __________________________

Exceptions: If your company is taking exception to any of the specifications, terms or conditions (including insurance, indemnification and/or proposed contract language) stated in this Request for Proposal, please indicate below and describe details: (check any that apply).

- [ ] No exceptions taken
- [ ] Exception taken to the scope of work or specifications
- [ ] Exception taken to indemnification and insurance requirements
- [ ] Exception to proposed contract language
- [ ] Other
Please explain any of the checked items:

________________________________________________________________________
________________________________________________________________________

Note: Taking exception to City’s requirements without approval of City prior to submission of your proposal may be cause for rejection of the proposal.

PROPOSING FIRM: _______________________________ DATE: __________

BUSINESS ADDRESS: _______________________________

SIGNATURE OF REPRESENTATIVE: _______________________________

BY: _______________________________ TITLE: _______________________________

INSTRUCTION REGARDING SIGNATURE: If bidder is an individual, state "Sole Owner" after signature. If bidder is a partnership, signature must be by a general partner, so stated after "Title". Names of all other partners and their business addresses must be shown below. If bidder is a corporation, signature must be by an authorized officer, so stated after "Title", and the names of the President and Secretary and their business addresses must be shown below:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
## Attachment C: Client References

### (Bidder’s Company Name)

<table>
<thead>
<tr>
<th>1. Client’s Company Name:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Client’s Company Name:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Client’s Company Name:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Client’s Company Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td></td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td></td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td></td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td></td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td></td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td></td>
</tr>
</tbody>
</table>

Duplicate this form as necessary to complete list.
Attachment D: Non-Collusion Affidavit

Note: To be executed by Proposer and submitted with proposal.

State of ________________________________
   (the State of the place of business)

County of ________________________________
   (the County of the place of business)

__________________________, being first duly sworn, deposes and
deposes and

__________________________, (name of the person signing this form)
says that he/she is ________________________________
   (title of the person signing this form)

__________________________, (name of bidding company), the party making the foregoing bid

that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership,
company, association, organization or corporation; that such bid is genuine and not collusive or
sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in
a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with
any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said
bidder has not in any manner directly or indirectly sought by agreement, communication, or
conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any
overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any
advantage against the public body awarding the contract of anyone interested in the proposed
contract; that all statements contained in such bid are true, and further, that said bidder has not
directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or
divulged information or data relative thereto, or paid and will not pay any fee in connection
therewith, to any corporation, partnership, company, association, organization, bid depository, or
to any member or agent thereof, or to any other individual except to any person or persons as
have a partnership or other financial interest with said bidder in the general business.

By: ________________________________
   (signature)

Printed Name: ________________________________
   (name of the person signing this form)

Title: ________________________________
   (title of the person signing this form)

Notary is required for this bid.
General Terms & Conditions for Proposals
Add your entity’s own general terms & conditions for proposals here.

-- End of General Terms and Conditions –
Proposal Presented to

CITY OF MORENO VALLEY

REQUEST FOR PROPOSAL
PROFESSIONAL AUDITING SERVICES,
RFP No: 2019-005

CONTACT PERSON:

Bryan S. Gruber, CPA, Partner
Bryan.Gruber@lslcpas.com
(714) 672-0022

April 11, 2019
# TABLE OF CONTENTS

1. EXECUTIVE SUMMARY ................................................................................................ 2

2. SUPPLEMENTAL COMPANY INFORMATION ................................................................ 3

3. PROFESSIONAL TEAM ASSIGNEMENTS ................................................................... 4

4. PROPOSAL COSTS .................................................................................................... 12

5. RESPONSE TEMPLATE .............................................................................................. 13

6. REQUIRED FORMS AND SAMPLES .......................................................................... 22
COVER LETTER

April 11, 2019
City of Moreno Valley
Attn: City Clerk’s Office
14177 Frederick Street
Moreno Valley, CA 92552

LANCE, SOLL & LUNGHARD, LLP (LSL) is pleased to respond to your request for proposal for professional auditing services. As a leader in the field of governmental accounting and auditing, we appreciate this opportunity to present our professional qualifications. Because of our extensive city government experience, dedication to excellence and determination to retain the brightest talent, we hope you find that LSL is the most qualified accounting firm to provide professional auditing services to the City of Moreno Valley.

LSL is a statewide public accounting firm that has met the auditing needs of governmental entities throughout California for nearly 90 years. This experience has led to the development of efficient procedures that provide numerous client benefits. Our clients understand that an audit from LSL provides them with a wealth of knowledge, confidence, and value-added services. The audit for the City of Moreno Valley will be staffed from our Brea (Headquarters) location. LSL has two other offices in Sacramento and Santa Ana, California. Our firm has approximately 110 employees including 17 partners. Governmental staff consists of four partners, two senior managers, three managers, five supervisors, and five senior auditors.

Principal owners are as follows:
Managing Partner: Richard K. Kikuchi, CPA
Partners: Mike Agresti, CPA, Kenneth Macias, CPA, Bryan S. Gruber, CPA, Debbie A. Harper, CPA, Michael D. Mangold, CPA, Susan F. Matz, CPA, David Myers, CPA, Adam Odom, CPA, Donald G. Slater, CPA, Maria Arriola, CPA, Pamela Bustos, MST, CPA, Jonathan Huckabay, MST, CPA, Gregory Lewis, CPA, PFS, CFP, Sherry Radmore, MST, CPA, Ronald Stumpf, CPA, Yana Weaver, MST, MBA, CPA

LSL is independent with respect to the City of Moreno Valley and we are an Equal Opportunity Employer. We are committed to providing the services discussed above in accordance with the timetable specified in your request for proposal. This proposal is a firm and irrevocable offer for a minimum of 180 days. For purposes of this proposal, Bryan S. Gruber, CPA, Partner, is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City. I can be reached at the address below or by phone at (714) 672-0022, or through email at Bryan.Gruber@lslcpas.com.

Bryan S. Gruber, CPA, Engagement Partner
203 N. Brea Blvd., Suite 203
Brea, CA 92821
Phone (714) 672-0022 Fax (714) 672-0331
www.lslcpas.com

www.lslcpas.com
Section 2: Supplemental Company Information

**CSMFO AND GFOA AWARD PROGRAM**
We prepare the financial statements and footnote disclosures for most of our cities that have received the CSMFO award and/or the GFOA award. All of our governmental partners, managers and seniors have been closely involved in the preparation of these reports.

**PRIOR EXPERIENCE WITH THE CITY OF MORENO VALLEY**
Previous to the City of Moreno Valley’s current auditors, LSL performed the annual audit of the City which included all services as listed in the request for proposals.

**BENEFITS TO WORKING WITH LSL**
In today’s environment, keeping up with the numerous accounting and regulatory changes can seem unmanageable. Finance departments are facing more complexity, risk, and change than ever before, and with less resources. As the industry continues to evolve, a strategic relationship with LSL, can help you better manage these changes and be more equipped for the future. Training and communication is the bridge that connects us. We offer to our clients:

1) **Annual Governmental Accounting Update**
   Annually, we hold a half day seminar providing an update to new accounting and regulatory standards impacting local governments. The goal is to provide useful, relevant information that impacts your organization.

2) **Annual Onsite Client Specific Training**
   We provide tailored training for your organization on topics that are most relevant and needed for you and your team. Topics may include fraud risk management, internal controls, accounting pronouncements, governmental accounting, and CAFR preparation.

3) **Focused Topic Specific Webinars and Ongoing News & Alerts**
   These cover important topics affecting local governments which may need more attention and explanation. In addition to our annual update, our webinars and news offer a short, focused approach to these critical areas.

4) **Meetings with Council & Committees**
   We believe communication is the key to a successful relationship and offer two annual meetings with your City Council or Committees. Both meetings encourage dialogue between LSL and City Council during the preliminary and concluding segments of the audit.
Section 3: Professional Team Assignments

KEY PERSONNEL AND RESPECTIVE RESPONSIBILITIES

The individuals assigned have experience in performing the tasks for which they are responsible, as well as familiarity with all municipal accounting operations. In addition, each has developed extensive skills in a variety of other complementary subjects through their work with clients in other industries. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. **LSL will not be subcontracting any portion of the audits of the City of Moreno Valley.**

The partners at LSL are routinely an integral part of the audit process and will be overseeing and supervising staff personnel in the field. Resumes of the key personnel assigned are included on the following pages and list their governmental auditing experience, applicable continuing professional education for the past three years, and memberships in professional organizations relevant to the performance of the audit of the City of Moreno Valley.

Any changes in personnel at the in-charge level or above will be approved by the City of Moreno Valley. 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. **LSL’s philosophy is to provide quality audit services with minimal disruption to City staff.** Our focused efforts to obtain and retain quality staff have further enabled us to provide high level of services to our clients.

RELEVANT RESPONSIBILITIES

The engagement partner, Bryan S. Gruber, will oversee the entire project, perform final reviews and be available for fieldwork and council meetings. The assurance manager, Kirk T. Hamblin, will oversee fieldwork and be a resource for the audit and CAFR preparation. The assurance supervisor, Michael Rathsam, with oversee the daily fieldwork and be the fieldwork point of contact. The quality control partner, Deborah A. Harper, will oversee a quality control review of the audit and CAFR preparation.

Bryan S. Gruber, CPA
Engagement Partner

Deborah A. Harper, CPA
Quality Assurance Partner

Kirk T. Hamblin, CPA
Assurance Manager

Michael Rathsam
Assurance Supervisor
FIRM POLICIES
The firm’s policy of assigning in-charge to an engagement requires that the in-charge has at least three years of municipal auditing experience. He or she must have demonstrated a high degree of understanding of municipal accounting and auditing, as well as of the firm’s overall client philosophy.

As the firm’s quality control policy, and in compliance with the continuing education requirements promulgated by the AICPA, General Accounting Office and the California Society of CPAs, all our staff auditors (certified and non-certified) meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. For our educational programs, we utilize in-house seminars, California Society of CPAs courses, AICPA Government Audit Quality Center courses, and Government Finance Officers Association courses. Our formal education program was reviewed by independent firms during our peer review process and no exceptions were noted.

CONTINUING EDUCATION
As a firm policy, all professional government staff meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Our educational programs include training from CalCPA, AICPA, Government Audit Quality Center, and GFOA.

FEDERAL SINGLE AUDIT
The professional team assigned is qualified to perform single audit services for all of our cities that have federal grants and meet the requirements as stipulated under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Additional we have performed Section 8 certifications in accordance with the Department of Housing Urban Development (HUD) Real Estate Assessment Center (REAC) requirements.

SUCCESSOR AGENCIES
The professional team assigned is qualified to perform financial and compliance audits for all successor agencies connected with our cities using the Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011, issued by the State Controller. The laws and regulations governing housing successors are found in the Health and Safety Code section 33000 et. seq., and Title 25, Division 1, Chapter 6 of the California Code of Regulations. Pursuant to Health and Safety Code section 34176.1, every Housing Successor shall have an independent financial audit performed annually in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The Housing Successor financial audit may be included with the reporting entity financial statements as a major fund or may have its own separate financial report and audit opinion at the discretion of the City.

FEDERAL AND STATE GRANTS
The majority of Federal Grants are handled under the Single Audit Act/Uniform Guidance and OMB Circular A-133. As to State Grants, some may also fall under the Single Audit or may be done with separate requirements. We have done separate compliance engagements on the following State Grants:

- Child Care (State Department of Education) audits for compliance with their program requirements.
- AQMD (Air Quality Management District) audits for compliance of the trust fund of the entity with restrictions imposed by the clean air act, etc.
- TDA (Transportation Development Act) and specific transit voter approved measure audit for compliance with state and local restrictions.
- STIP (State Transportation Improvement Program) audits for compliance with Caltrans and State Department of Transportation requirements.
BRYAN S. GRUBER, CPA
ENGAGEMENT PARTNER

ACHIEVEMENTS
Bryan is a recognized expert in the field of Governmental Accounting and Auditing. He has made numerous presentations for CSMFO at the annual conference and local chapter meetings throughout the state on current accounting and auditing material. He also serves as a technical reviewer for the Government Finance Officers Association (GFOA) for over 10 years. Bryan routinely teaches current audit and accounting related material at Lance, Soll & Lunghard, LLP’s training seminars, webinars, and client education workshops and training events.

LICENSE
Certified Public Accountant - California 2008

CONTINUING EDUCATION
Total hours were 132 in last three years of which 74 were in governmental accounting and auditing subjects. Bryan has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS
California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Association of Local Government Auditors

EXPERIENCE
Over fifteen years of experience in governmental audits including CAFR audits, component-unit audits and Single Audits. Bryan has also made numerous presentations to City Councils, Boards of Directors and Audit Committees. He has been involved in the following municipal engagements:

- City of Redondo Beach
- City of Burbank
- City of Santa Barbara
- City of Emeryville
- Foothill Transit Authority
- San Diego County Water Authority
- Union Sanitary District
- Monterey One Water
- Orange County Water District
- Three Valleys Municipal Water District
- City of Oceanside
- City of Palm Springs
- Orange County Fire Authority
- City of Solana Beach
- Orange County Sanitation District
- Ontario International Airport
Bryan S. Gruber, CPA, Partner (Continued)

This work entailed:

- Review the audit of these entities provide and technical assistance throughout the year to provide the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.
- Risk assessment, internal controls evaluation with COSO and Federal Green Book
- Single Audits in accordance with new Uniform Guidance

EDUCATION
Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton 2004
ACHIEVEMENTS
Deborah was accepted as a 2015 and 2016 executive committee member of the AICPA Government Audit Quality Center, which is a national division for governments. As an executive board member, Deborah participates in the development, review, and first-hand discussion of new standards and guidance published in the AICPA Audit Guides which is provided to audit firms across the country.

In 2017, Deborah also accepted participation in the GASB Research Note Disclosure Reexamination Roundtable.

Deborah leads the Lance, Soll & Lunghard, LLP training program and serves as the firm Learning Director.

LICENSE
Certified Public Accountant - California 2005

CONTINUING EDUCATION
Total hours were 132 in last three years of which 68 were in governmental accounting and auditing subjects. Deborah has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS
California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Governmental Accounting and Auditing Committee
AICPA Government Audit Quality Center
Deborah A. Harper, CPA, Partner (Continued)

EXPERIENCE
Over sixteen years of experience in governmental audits. During her time with the firm, Deborah has performed all phases of our government audits and made numerous presentations to Boards of Directors and Audit Committees.

She has been involved on the following similar engagements:

- Cucamonga Valley Water District
- Coachella Valley Water District
- Inland Empire Utilities Agency
- City of Irvine
- City of Aliso Viejo
- City of Laguna Niguel
- City of Monrovia
- City of Orange
- City of Seal Beach
- City of Chino Hills

- City of Glendora
- City of Simi Valley
- City of Thousand Oaks
- City of Corona
- City of Diamond Bar
- City of Banning
- City of Claremont
- City of Brea
- City of Fullerton

This work entailed:
- Review the audit of these entities and provide technical assistance throughout the year to deliver the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

EDUCATION
Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton 2000
KIRK T. HAMBLIN, CPA
ASSURANCE MANAGER

LICENSE
Certified Public Accountant – California 2015

CONTINUING EDUCATION
Total hours were 144 in last three years of which 92 were in governmental accounting and auditing subjects. Kirk has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE
Kirk has progressed in an outstanding manner. During his time with the firm, Kirk has performed all phases of our government audits, including water districts, other special districts, CAFR audits, successor agency audits and Single Audits. He has been involved in the following municipal engagements:

- City of Glendora
- City of Ontario
- City of Palm Springs
- City of Walnut
- City of Rancho Cucamonga
- City of Pasadena
- City of Chino Hills

- City of Canyon Lake
- City of Fullerton
- City of Corona
- City of Cathedral City
- City of San Dimas
- Orange County Fire Authority
- Three Valleys Municipal Water District

EDUCATION
Bachelor of Science Degree in Accounting – University of La Verne, 2010
LICENSE
Certified Public Accountant – In Progress (2 of 4 exams completed)

CONTINUING EDUCATION
Total hours were 125 in last three years of which 74 were in governmental accounting and auditing subjects. Michael has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE
Michael has over five years of experience with LSL. During his time with the firm, Michael has performed all significant phases of our government audits; including cities, water districts, other special districts, CAFR audits, successor agency audits, NTD audits, and Single Audits. He has been involved in the following municipal engagements:

- City of Banning
- City of Canyon Lake
- Coachella Valley Water District
- City of Monrovia
- City of Palm Desert
- City of Cypress
- City of Fullerton
- Orange County Water District
- City of Seal Beach
- City of Santa Barbara
- City of Palm Springs
- City of Chula Vista
- City of Burbank
- City of Dinuba
- City of Camarillo
- Community Development Commission of the County of Los Angeles
- City of Live Oak
- City of Imperial Beach
- City of Lake Elsinore
- City of Bell
- City of Corona
- City of Pasadena

EDUCATION
Bachelor of Arts Degree in Business Administration, Concentrations in Accounting – California State University, Fullerton, 2014
CITY OF MORENO VALLEY
RFP #2019-005
PROFESSIONAL AUDIT SERVICES

COST PROPOSAL SUMMARY

Section I

AUDIT WORK MULTI-YEAR COST PROPOSAL

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY AUDIT AND RELATED REPORTS</td>
<td>$ 51,025.00</td>
<td>$ 51,025.00</td>
<td>$ 51,025.00</td>
<td>$ 52,556.00</td>
<td>$ 52,556.00</td>
</tr>
<tr>
<td>GANN LIMIT REVIEW REPORT</td>
<td>$ 550.00</td>
<td>$ 550.00</td>
<td>$ 550.00</td>
<td>$ 567.00</td>
<td>$ 567.00</td>
</tr>
<tr>
<td>CSD AUDIT AND SPECIAL REPORTS</td>
<td>$ 3,300.00</td>
<td>$ 3,300.00</td>
<td>$ 3,300.00</td>
<td>$ 3,399.00</td>
<td>$ 3,399.00</td>
</tr>
<tr>
<td>CHILD CARE GRANT AUDIT AND RELATED REPORTS</td>
<td>$ 6,250.00</td>
<td>$ 6,250.00</td>
<td>$ 6,250.00</td>
<td>$ 6,438.00</td>
<td>$ 6,438.00</td>
</tr>
<tr>
<td>STATE CONTROLLERS REPORTS (CITY AND CSD)</td>
<td>$ 3,800.00</td>
<td>$ 3,800.00</td>
<td>$ 3,800.00</td>
<td>$ 3,914.00</td>
<td>$ 3,914.00</td>
</tr>
<tr>
<td>SINGLE AUDIT AND RELATED REPORTS</td>
<td>$ 6,770.00</td>
<td>$ 6,770.00</td>
<td>$ 6,770.00</td>
<td>$ 6,973.00</td>
<td>$ 6,973.00</td>
</tr>
<tr>
<td>TOTAL PER FISCAL YEAR</td>
<td>$ 71,695.00</td>
<td>$ 71,695.00</td>
<td>$ 71,695.00</td>
<td>$ 73,847.00</td>
<td>$ 73,847.00</td>
</tr>
</tbody>
</table>

SCHEDULE OF FEES AND SERVICES FOR THE AUDIT OF THE FY 2019-20 FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th># of Hours</th>
<th>Hourly Rate</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>36</td>
<td>$ 280.00</td>
<td>$ 10,080.00</td>
</tr>
<tr>
<td>Managers</td>
<td>87</td>
<td>$ 170.00</td>
<td>$ 14,790.00</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td>185</td>
<td>$ 125.00</td>
<td>$ 23,125.00</td>
</tr>
<tr>
<td>Staff Auditor</td>
<td>234</td>
<td>$ 100.00</td>
<td>$ 23,400.00</td>
</tr>
<tr>
<td>Clerical</td>
<td>5</td>
<td>$ 60.00</td>
<td>$ 300.00</td>
</tr>
<tr>
<td>Sub-total</td>
<td>547</td>
<td></td>
<td>$ 71,695.00</td>
</tr>
<tr>
<td>Out of Pocket Expenses</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Total all-inclusive maximum price for the 2019-20 audit.</td>
<td>$ 735.00</td>
<td>$ 71,695.00</td>
<td></td>
</tr>
</tbody>
</table>

SCHEDULE OF BILLING RATES FOR SUPPLEMENTAL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>$ 280.00</td>
</tr>
<tr>
<td>Managers</td>
<td>$ 170.00</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td>$ 125.00</td>
</tr>
<tr>
<td>Staff Auditor</td>
<td>$ 100.00</td>
</tr>
<tr>
<td>Clerical</td>
<td>$ 60.00</td>
</tr>
<tr>
<td>Other - Supervisor</td>
<td>$ 150.00</td>
</tr>
</tbody>
</table>
Section 5: Response Template

Attachment A: Required Response Template

LANCE, SOLL & LUNGHARD, LLP (LSL)

(Bidder’s Company Name)

Instructions:
Prospective proposers must provide the information requested below and include it in their proposal. City has provided the form as a separate Word document for bidder’s use. Use this form or copy and paste it into your own document; in either case, please provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary; and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

Please provide the following information about your company:

A. Your company’s full legal name, address, phone, fax, email, website, including TAX ID number.

LANCE, SOLL & LUNGHARD, LLP
203 N. Brea Blvd., Suite 203
Brea, CA 92821
Phone (714) 672-0022 Fax (714) 672-0331
Bryan.Gruber@lslcpas.com.
www.LSLCPAS.com
Firm EIN: 95-2700123

B. Prior company names (if any) and years in business; mergers, buyouts, etc.

N/A – Not Applicable

C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).

LLP

D. Names and titles of the principal owner(s).

Principal owners are as follows:
Managing Partner: Richard K. Kikuchi, CPA
Partners: Mike Agresti, CPA, Kenneth Macias, CPA, Bryan S. Gruber, CPA, Debbie A. Harper, CPA, Michael D. Mangold, CPA, Susan F. Matz, CPA, David Myers, CPA, Adam Odom, CPA, Donald G. Slater, CPA, Maria Arriola, CPA, Pamela Bustos, MST, CPA, Adam Odom, CPA, Donald G. Slater, CPA, Maria Arriola, CPA, Pamela Bustos, MST, CPA, Jonathan Huckabay, MST, CPA, Gregory Lewis, CPA, PFS, CFP, Sherry Radmore, MST, CPA, Ronald Stumpf, CPA, Yana Weaver, MST, MBA, CPA

E. Person(s) authorized to make commitments for your company.
Bryan S. Gruber, CPA, Engagement Partner
F. Company history, experience, years in business for current company name.

LSL is a statewide public accounting firm that has met the auditing needs of governmental entities throughout California for nearly 90 years. This experience has led to the development of efficient procedures that provide numerous client benefits. Our clients understand that an audit from LSL provides them with a wealth of knowledge, confidence, and value-added services. The audit for the City of Moreno Valley will be staffed from our Brea (Headquarters) location. LSL has two other offices in Sacramento and Santa Ana, California. Our firm has approximately 115 employees including 17 partners. Governmental staff consists of four partners, two senior managers, three managers, five supervisors, and five senior auditors.

G. The number of clients (including governmental) served in past and present.

Currently, LSL serves approximately 200 governmental clients. Including past and present clients, experience is over a thousand governmental entities since 1929.

H. Licensed to practice in the State of California, Special qualifications, training, credentials, recognition, or awards.

LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. As a firm, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key staff to be assigned to this engagement are or will be licensed by the State of California to practice as Certified Public Accountants.

We prepare the financial statements and footnote disclosures for most of our clients that have received the GFOA award. All of our governmental partners, managers, and seniors have been closely involved in the preparation of these reports. Additionally, the engagement partner and the audit manager are members of the GFOA Special Review Committee for the award program.

Previous to the City of Moreno Valley’s current auditors, LSL performed the annual audit of the City which included all services as listed in the request for proposals.

I. Contracts terminated for cause, pending litigation or legal issues.

No such contract activity has occurred.
II. Resources: Staffing, Facilities, Equipment

Provide the following information relative to required services:

A. Names and titles of key management personnel.

Richard K. Kikuchi, CPA (Managing Partner)
Bryan S. Gruber, CPA (Partner)
Deborah A. Harper, CPA (Partner)

B. Team to be assigned for these services.

Bryan S. Gruber, CPA (Engagement Partner)
Deborah A. Harper, CPA (Quality Assurance Partner)
Kirk T. Hamblin (Assurance Manager)
Michael Rathsam (Assurance Supervisor)

C. Qualifications of specific individuals who will work on the project.

Refer to Resumes included in the proposal.

D. Amount of time and involvement of key personnel who will be involved in respective portions of the project.

Partners, Approximately 36 Hours
Manager, Approximately 87 Hours
Supervisor/Senior Accountant, Approximately 185 Hours
Staff, Approximately 234 Hours

E. Resumes of all team members; provide only names and titles only; attach current resumes to proposal.

Bryan S. Gruber, CPA (Engagement Partner)
Deborah A. Harper, CPA (Quality Assurance Partner)
Kirk T. Hamblin (Assurance Manager)
Michael Rathsam (Assurance Supervisor)

Resumes are included in the proposal.

F. Current number of employees: full-time and part-time employees.

Our firm has approximately 115 employees including 17 partners and professional staff. Governmental staff consists of four partners, two senior managers, three managers, five supervisors, and ten seniors. All professional staff assigned to the proposed engagement work on a full-time basis.

G. Names of any subcontractor’s you propose to use for our contract.

Provide only names here; fill in the details on City-provided Subcontractors List.

N/A – Not applicable, no subcontractor’s will be utilized for the services requested.
H. Facilities that would be utilized to perform the required work.

Services will be performed with staffing from our Brea, CA office and necessary fieldwork will take place on-site at the City Hall.

I. Equipment that would be utilized to perform the required work.

LSL performs paperless audits utilizing CaseWare Auditing Software and IDEA Software for data extraction. CaseWare allows us to import our client’s trial balance provided in either text or excel format to our working trial balance. Once all general ledger accounts are mapped, our working trial balance links automatically to our working papers. This expedites our analytical reviews and testing of account balances. It also simplifies the preparation of financial statements and State Controller’s Reports since our working trial balance links to our Microsoft Excel financial models. The benefits to our clients are that we can provide tie out worksheets to facilitate the reconciliation of financial reports to the client’s accounting records. As for IDEA Software, we will request a detail general ledger for the period we are auditing and use IDEA to drill down on the account balances activity and test individual transactions. IDEA allows us to focus our audit on material and unusual transactions.

Our audit approach is to “audit around” the computer, which means that we verify output by agreeing it, through our audit tests, with corresponding source input transactions. We do not use audit software that runs through the client’s computer system. Like other aspects of the internal control structure, computer controls and processes are documented in our memoranda and questionnaires. We will consider whether specialized skills are needed to evaluate the effect of computer processing on the audit, to understand the internal control structure policies and procedures or to design and perform audit procedures. We will consider the complexity of the computer system and assess whether we can identify the types of misstatements that might occur.

All of our professional staff have state-of-the-art laptop computers with wireless capabilities that link to our network in the office and allow for working remotely. To facilitate communication during our audit engagement, we will make extensive use of electronic communication such as email and share file. We will give access to key personnel on the audit to a share file folder our network set up for the audit of the City of Moreno Valley. All draft financial statements will be provided through share file and all audit schedules prepared by City staff can be uploaded to this share file folder to facilitate communication.

Lance, Soll & Lunghard, LLP takes the confidentiality of our Client’s data very seriously. In the performance of our services, employees use laptops and access the firm network through the internet. Access to laptops and the firm network is control through individual password with a 90 days expiration period. In addition, employees’ laptops are all protected via hardware / software encryption (128/256-bit RSA). Client file transfers are done through share file, an encrypted method. Network is protected with Watchguard firewalls. Remote access is provided by an encrypted VPN (IPSec). E-mail goes through two sets of filters before hitting the user inbox.
III. Demonstrated and Technical Experience

Please describe your company's:

A. Demonstrated record of success on work previously performed.

LSL is a leading Orange County CPA firm for government. A serious breach in financial or data controls is an increasing concern in governments. Making proactive improvements regularly can mitigate such risks. LSL CPAs is a leading firm for audits and advisory services of state and local governments and federal agencies. Our firm frequently tops the list when governments are considering a change of auditors; this is because of our in-depth understanding of accounting rules specific to government agencies and our good reputation in the industry.

Working year-round, LSL CPAs prepares Comprehensive Annual Financial Reports (CAFR) as well as Single Audits under OMB Circular A-133 and the new uniform guidance. We also have particular experience in compliance reviews of government contracts and internal audits of operations to identify areas of potential loss, abuse or waste. Such transparency is an emerging need that our team can support for executives, boards and councils.

State and local governments and federal agencies request our consulting on financial accounting and reporting models and budgeting. Our strong network of retired CFOs and other government professionals can also assist with interim staffing or other professional staffing arrangements as needed.

B. Specific method and techniques to be employed on the project or problem.

Our approach may be to utilize statistical sampling in the areas of receipts, disbursements, utility billing and payroll. Here we develop a statistical conclusion based upon an initial computer selected random sample which is based on the population and other risk factors identified. If errors are noted in the sample, the sample size will be expanded. We believe that a random selection can be efficient, while providing each item in the population an equal chance of being selected. Additionally, we may select a stratified sample of all transactions over a specified dollar limit for review. This allows us to cover all high dollar value transactions not otherwise selected in the random sample. Our samples are selected randomly utilizing IDEA data analysis software.

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached, and in the evaluation of the overall financial statement presentation. The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements. Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence gathered to resolve concerns and questions.
If the City of Moreno Valley can provide a check register electronically for July 1st forward (period after the audit year), then we can pre-select our sample for accounts payable cut-off test work and provide that information ahead of time. Our PBC list will detail out schedules we would like provided, which is directed straight from the audit report. Support requested and sampling for these schedules will be assessed each year based on the strengths and weaknesses of the internal control processes of the City, and the materiality level of the account. We will discuss our analytical variances with the City and obtain documentation that provides support for the accounts.

To gain an understanding of the internal control structure over the financial statements, we will perform procedures as required by SAS 122-125. This will include review of internal controls in the areas of financial reporting, cash, revenues and receivables, expenditures and accounts payable, payroll, capital assets, long-term debt, and grant reporting, as applicable.

Based on the result of our review, we will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted. This report is required by the Government Auditing Standards issued by the Comptroller General of the United States. Auditing Standards require auditors to obtain an understanding of the entity and its environment along with assessing the risks of material misstatements. LSL obtains an understanding through a variety of ways all throughout the year, but the most pertinent time each year is during our interim on-site visit. We will conduct interviews with management of finance along with each audit section responsible party (e.g. cashier, accounts payable clerk, payroll clerk, etc.) to review the processes and controls through observation and discussions. Based on our observations, we will sample transactions as part of a “walk-through” to verify the system of control is working in accordance with policies and procedures.

We will provide a list each year of randomly selected employees of the City of Moreno Valley to interview for fraud interviews (SAS 99), which will consist of all levels of the City across all departments.

After our interim on-site visit, we will have an exit meeting to discuss potential weaknesses, if any, and provide any feedback for improvements or valuable information we have gathered from our outside clientele that would benefit the City of Moreno Valley.

The Laws and Regulations that will be subject to audit test work are determined from the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the City of Moreno Valley and our extensive experience with governmental entities.

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Normally, audit sampling is used for tests of controls and tests of compliance that involve inspection of documents and reports indicating performance of the applicable policy or procedures and compliance with the applicable laws and regulations. These sampling procedures test the operating effectiveness of an internal control structure policy or procedures by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied.
To achieve this goal, we will draw samples for disbursements, receipts and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger. Sample sizes vary based on the population and risk-based calculations.

With our familiarity with similar local governments, we do not anticipate unusual audit problems. With changes in GASB pronouncements, we always anticipate a certain degree of challenges related to the implementation of the new standards. To address these, we offer different training opportunities, first-hand experience with similar local governments, and implementation experts on our in-house team.

C. Please confirm the company has not performed any work for the City of Moreno Valley that could pose as a conflict of interest with this RFP.

LSL is independent with respect to the City of Moreno Valley.

IV. Work Plan:

Taking all circumstances, current conditions, and required preparations into consideration, describe in detail, your proposed work plan for delivering the services required by this RFP, including, but not limited to;

A. How you will schedule professional staff to ensure milestones and deadlines are met?

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center information letter. The audit communication letter is to be provided to the City Council. In addition, this can be communicated orally to the City Council or sub-committee, if requested. This communication will discuss the planning stages, the responsibilities of the City Council, auditors, and management, and provide an opportunity for communication with us as the auditors.

LSL’s audit team will meet prior to our initial on-site visit to brainstorm and discuss economic conditions, industry elements, and new standards that will affect the City of Moreno Valley. A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge and preparing expectations for the audit year. We will compile a list of “Prepared by Client” (“PBC”) items based on our review of prior year financial statements and information gathered. This will be provided to the City of Moreno Valley one month prior to our visit or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The City of Moreno Valley will have its own folder which can be customized to organize, and upload requested schedules, support documents, etc.
Based on the information gathered each year thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the City’s internal controls and government auditing standards. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach will be the most effective and efficient by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements and critical to the compliance with other material laws and regulations. We will annually compile another customized “Prepared by Client” (PBC) list for the year-end on-site visit and provide it at least one month prior, or earlier if requested.

We will request a trial balance for our analytical review to be provided one week prior to our arrival.

Year-end fieldwork will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls and preparation of reports and letters.

Based on our year-end exit meeting we will schedule a plan to finalize the CAFR in the timetable of the City. We will schedule dates for the initial and final drafts including time for the City review and approval of the financial statements. In addition, this will account for the review of the engagement partner and quality assurance partner. After the review and receipt of the signed representation letter from City, we will provide the final reports by mid-December each year.

LSL is aware of the required deadlines for completing a CAFR and achieving the GFOA award as well as compliance requirements for child care and single audits. Our interim portion of fieldwork would be scheduled in June and would have a primary focus on internal controls, however, would also utilize workhours to begin the portions of year end testing that can occur at that time. LSL would plan during interim the best fieldwork dates for the yearend testing that would be beneficial for the City staff to accomplish the goal of completing the audit by November 20th. During our yearend audit exit a timeline would be established that can best accomplish the City’s completion goal at that time, which would include establishing the completion of any testwork if necessary, determining a timeframe for the City to provide LSL with the first draft of the financials and the required timeframe for responses and subsequent drafts. LSL is committed to achieving the deadlines of clients and encourages active communication and planning to achieve goals.

B. Provide required response time to the urgent service requests.

We anticipate that City staff would provide us with the following schedules and documents to be used as audit support: bank reconciliations, detailed general ledgers, payable and receivable reconciliations, capital asset additions and deletions ledgers, long-term debt activity ledgers, and fund balance reconciliations. LSL will provide a detailed listing of all required PBC listing items at least one month prior to arrival for fieldwork.
C. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

LSL works diligently and efficiently to provide quality audits, however, if unforeseen situations occur that would affect work-hours or the timing of work hours, LSL would communicate with the City to plan accordingly whether the issue needed to be resolved with an overtime work schedule, a modified fieldwork schedule, or an adjustment to the original workplan, LSL is committed to providing the City with a quality audit and audit experience.

D. Provide any other relevant information that you believe would benefit City for the requested services.

Submitted by:

Company Name: LANCE, SOLL & LUNGHARD, LLP
Contact Name: Bryan S. Gruber, CPA
Title: Partner
Signature:
Email: Bryan.Gruber@lslcpas.com
Phone: (714) 672-0022
Date: April 11, 2019
Section 6: Required Forms and Samples

Attachment B: Special Provisions

All items below apply to this bid proposal:

Hold Harmless and Indemnification: The successful bidder hereby agrees to indemnify, defend, and hold harmless City (including its officials, officers, agents, employees, and representatives) from and against any and all claims of any kind or nature presented against City arising out of vendor’s (including vendor’s employees, representatives, and subcontractors) performance under this agreement, excepting only such claims, costs or liability which may arise out of the sole negligence or willful misconduct of City.

Insurance Provisions: Unless otherwise stated in the RFP specifications, the following insurance requirements apply:

1. Comprehensive General Liability Insurance: (include products liability) $1,000,000 per occurrence.
2. Auto Liability Insurance: $1,000,000 per occurrence, combined single limit (CSL).
3. Workers’ Compensation Insurance: as required by State statutes.
4. Employer’s Liability Insurance: $1,000,000 per accident; $1,000,000 policy limit for disease.
5. All policies of insurance must provide for a minimum of thirty (30) days written notice of any change or cancellation of the policy.
6. Insurance policies to be in a form ad written through companies acceptable to City; and must include those endorsements which are necessary to extend coverage which is appropriate to the nature of the agreement.

Affirmative Action: In support of Affirmative Action, City requires all suppliers to comply with Title VII of the Civil Right Act of 1964, as amended, the Civil Rights Act of 1992, and all federal, state, and municipal laws and regulations pertaining thereto. In addition, successful bidders must certify prior to award of contracts in excess of $50,000 that they have a written affirmative action plan in compliance with the above laws and regulations, and such plan may be reviewed by City. Said Certification may be made by signing below:

Certified to above - FIRM: Lance, Soll & Lunghard, LLP
SIGNATURE: [Signature]
PRINT NAME: Bryan S. Gruber, CPA
TITLE: Partner
Exceptions: If your company is taking exception to any of the specifications, terms or conditions (including insurance, indemnification and/or proposed contract language) stated in this Request for Proposal, please indicate below and describe details: (check any that apply).

- [X] No exceptions taken
- Exception taken to the scope of work or specifications
- Exception taken to indemnification and insurance requirements
- Exception to proposed contract language
- Other

Please explain any of the checked items:

__________________________________________________________________________
__________________________________________________________________________

Note: Taking exception to City’s requirements without approval of City prior to submission of your proposal may be cause for rejection of the proposal.

PROPOSING FIRM: Lance, Soll & Lunghard, LLP
DATE: April 11, 2019

BUSINESS ADDRESS: 203 N. Brea Blvd., Suite 203, Brea, CA 92821

SIGNATURE OF REPRESENTATIVE:

BY: Bryan S. Gruber, CPA TITLE: Partner

INSTRUCTION REGARDING SIGNATURE: If bidder is an individual, state "Sole Owner" after signature. If bidder is a partnership, signature must be by a general partner, so stated after "Title". Names of all other partners and their business addresses must be shown below. If bidder is a corporation, signature must be by an authorized officer, so stated after "Title", and the names of the President and Secretary and their business addresses must be shown below:
<table>
<thead>
<tr>
<th>1. Client’s Company Name:</th>
<th>City of Rancho Cucamonga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>10500 Civic Center Drive</td>
</tr>
<tr>
<td></td>
<td>Rancho Cucamonga, CA 91730</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Tamara Layne</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Finance Director</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>(909) 477-2700 Fax: (909) 477-2849</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:Tamara.Layne@CityofRC.us">Tamara.Layne@CityofRC.us</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>CAFR Audit including SA, Single Audit, GANN Limit AUP, Fire District Audit</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>June 30, 2018, $80,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Client’s Company Name:</th>
<th>City of Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>303 East B Street, Ontario, CA 91764</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Doreen Nunes</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Fiscal Services Director</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>(909) 395-2352 Fax: (909) 395-2385</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:dnunes@ci.ontario.ca.us">dnunes@ci.ontario.ca.us</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>CAFR Audit including SA, Single Audit, GANN Limit AUP</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>June 30, 2018, $96,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Client’s Company Name:</th>
<th>City of Emeryville</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>1333 Park Ave. Emeryville, CA 94605</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Susan Hsieh</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Finance Director</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>(510) 596-4300 Fax: (510) 658-8095</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:shsieh@emeryville.org">shsieh@emeryville.org</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>CAFR Audit, including SA, Childcare Audit, GANN Limit AUP, Other Compliance Audits.</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>June 30, 2018, $120,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Client’s Company Name:</th>
<th>City of Palm Desert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>73510 Fred Waring Dr., Palm Desert, CA 92260</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Jose Luis Espinoza, CPA</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Assistant Finance Director</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>(760) 346-0611 Fax: (760) 340-0574</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:lespinosa@cityofpalmdesert.org">lespinosa@cityofpalmdesert.org</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>CAFR Audit including SA, Single Audit, GANN Limit AUP, Component Unit</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>June 30, 2018, $80,000</td>
</tr>
</tbody>
</table>

Duplicate this form as necessary to complete list.
Attachment D: Non-Collusion Affidavit

Note: To be executed by Proposer and submitted with proposal.

State of ___California___
(the State of the place of business)

County of ___Orange___
(the County of the place of business)

_______  Byron Gruber ________, being first duly sworn, deposes and
(name of the person signing this form)

says that he/she is ___Partner_____ of
(title of the person signing this form)

_____  Jense. Soll  &  Lumber Co. Ltd. ________, the party making the foregoing bid
(name of bidding company)

that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership, company, association, organization or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in such bid are true, and further, that said bidder has not directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said bidder in the general business.

By: ______________
(signature)

Printed Name: ______________
(name of the person signing this form)

Title: ______________
(title of the person signing this form)

Notary is required for this bid.
CALIFORNIA JURAT WITH AFFIANT STATEMENT

☑ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–5 to be completed only by document signers, not Notary)

State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 10th day of April, 2019, by

(1) Bryan Gruber,

Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(and)

(2)

Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature

Signature of Notary Public

OPTIMAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

©2007 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91311-2402 • www.NationalNotary.org  Item #5910  Recorder: Call Toll-Free 1-800-876-6827
CITY OF MORENO VALLEY

Proposal for Professional Auditing Services
RFP #2019-005

For the fiscal years ending June 30, 2020, 2021 and 2022
(with the option of two additional terms)

Submitted by:

ROGERS, ANDERSON, MALODY & SCOTT, LLP
Certified Public Accountants
License #2596
FEIN 95-2662063

735 E. Carnegie Drive, Suite 100
San Bernardino, California 92408
(909) 889-0871

April 11, 2019

CONTACT: SCOTT MANNO, PARTNER
smanno@ramscpa.net

ALTERNATE CONTACT: TERRY SHEA, PARTNER
terry@ramscpa.net
Table of Contents

A. Section 1: Executive Summary ................................................................. 1
B. Section 2: Supplemental Company Information ....................................... 2
C. Section 3: Professional Team Assignments ........................................... 3
   Partner and supervisory staff involvement
   Staff continuity
   Engagement team resumes
D. Section 4: Proposed Costs .................................................................. 11
E. Section 5: Response Template .............................................................. 12

Attachment A: Response Template
Attachment B: Special Provisions
Attachment C: Client References
Attachment D: Non-collusion Affidavit
A. Section 1: Executive Summary

a) Company’s full legal name, address, phone, fax, email, website:

   Rogers, Anderson, Malody & Scott, LLP
   735 E Carnegie Drive, Suite 100
   San Bernardino California 92408
   909.889.0871 Phone
   909.889.5361 Fax
   www.ramscpa.net

b) Prior company names (if any): None

c) Organizational structure (corp., LLC, etc.): Limited Liability Partnership

d) Names and titles of the principal owner(s): Scott Manno, Partner; Brad Welebir, Partner;
   Terry Shea, Partner; Leena Shanbhag, Partner; Brenda Odle, Partner

e) Person(s) authorized to make commitments for your company: Scott Manno, Partner; Brad
   Welebir, Partner; Terry Shea, Partner; Leena Shanbhag, Partner; Brenda Odle, Partner

f) Company history, experience (brief), and years in business: RAMS was founded in 1948
   and offers the full range of services expected of a full service accounting firm. We are one
   of the oldest and most trusted and respected CPA firms in Southern California, with over
   71 years of public practice experience, specializing in governmental agency and not-for-
   profit organization auditing, accounting and management advisory services. Over
   nineteen thousand hours per year are devoted to this area of our practice, which includes
   cities, redevelopment successor agencies, water districts, other special districts, not-for-
   profit corporations and joint power authorities.

g) Current number of employees, key personnel: 34; key audit personnel: Scott Manno,
   Partner; Brad Welebir, Partner; Terry Shea, Partner; Brianna Schultz, Manager; Charles
   De Simoni, Manager; Gardenya Duran, Manager
B. Section 2: Supplemental Company Information

We are aware that the City of Moreno Valley (the City) has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons; which are provided in more detail in our proposal. Our firm:

- Utilizes Teammate Analytics, a suite of more than 150 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other value added services. Teammate Analytics also helps to identify specific transactions which may be indicative of fraud.
- Using our CAAT, performs a risk based audit which enables us to focus on key audit areas allowing us to become more efficient resulting in lower audit fees.
- Provides auditing services to over 60 governmental agencies and not-for-profit organizations, including over 20 cities, most of which have enterprise activities.
- Understands the audit process, as a whole, can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients.
- Has audit team members that are personable and easy to work with. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service and products.
- Provides extensive training and continuing education to all of our audit staff through a combined use of in-house instruction and third-party providers. Our audit team members are experienced with and receive regular training in performing Single Audits in accordance with Federal OMB Uniform Guidance.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g. accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by 2 partners and 1 professional proofreader.
- Has assisted many of our clients with the preparation of their Comprehensive Annual Financial Reports, and all of our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Believes that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit services for the City.
C. Section 3: Professional Team Assignments

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus facilitating a proper, efficient and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire City’s accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to the City’s, therefore, the City will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. In order to retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which is in the best interest of the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. However, the City reserves the right to accept or reject replacements.

We believe that due to the significant involvement of the partners on all of our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented near the end of this proposal. The following individuals will be assigned to the engagement for the entire contract period:

Scott W. Manno, CPA, CGMA - Partner, Engagement Partner

Scott is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. He has been in public accounting for 24 years specializing in serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Scott will directly oversee all engagement staff while assisting in planning and performing the engagement as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Scott is a working partner and will be actively and continually involved in all aspects of the engagement.
CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

C. Section 3: Professional Team Assignments (continued)

Terry P. Shea, CPA - Partner, Concurring Partner

Terry is also a municipal audit partner with the firm. He is licensed to practice as a certified public accountant in the State of California. Terry has over 38 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. As the concurring partner, Terry will work directly with Scott in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brad A. Welebir, CPA, CGMA, MBA - Partner, Quality Control Reviewer

Brad will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California. Brad will be responsible for the final quality control review of all released reports. He has over 15 years of practical, governmental accounting and auditing experience.

Brianna Schultz, CPA, CGMA - Engagement Manager

Brianna is an audit manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Brianna has over 9 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Brianna will work directly with Scott and Terry while supervising the engagement team during all phases of the engagement. In addition, she will oversee the preparation of any required reports.

Veronica Hernandez, CPA - Audit Senior

Veronica is an Audit Senior with the firm. She is licensed to practice as a certified public accountant in the State of California. She has over 4 years’ experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit senior, Veronica will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

All staff employed by us and working on governmental audits are qualified to perform governmental audits. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

See above for description of each team member’s relevant responsibilities.
C. Section 3: Professional Team Assignments (continued)

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental and not-for-profit accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the City with practical observations and effective solutions. Below is our proposed organization of the audit team:

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Full engagement team resumes are provided as follows.
C. Section 3: Professional Team Assignments (continued)

Engagement team resumes

Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA CAFR Award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is now a member of the Association’s fiscal committee providing accounting and fiscal program guidance. Also, Mr. Manno has done presentations on fraud.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc., including the implementation of GASBS 68/75.

Education/licenses

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant - State of California
Chartered Global Management Accountant - American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

<table>
<thead>
<tr>
<th>City of El Cajon*</th>
<th>City of Sierra Madre*</th>
<th>City of Blythe*</th>
<th>City of Fillmore*</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Twentynine Palms</td>
<td>City of San Jacinto*</td>
<td>City of Rosemead</td>
<td>Town of Yucca Valley</td>
</tr>
<tr>
<td>City of La Mesa*</td>
<td>City of Ontario*</td>
<td>City of Moorpark*</td>
<td>City of Lake Elsinore*</td>
</tr>
<tr>
<td>City of Woodlake*</td>
<td>City of Exeter*</td>
<td>City of Loma Linda*</td>
<td>City of La Verne</td>
</tr>
</tbody>
</table>

Mr. Manno has completed over 220 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

♦ Association of Certified Fraud Examiners, Fraud Related Internal Controls
♦ Association of Certified Fraud Examiners, Fighting Fraud in Government
♦ Checkpoint Learning, Audits of State and Local Governments

Professional affiliations

Mr. Manno is a member of the following organizations:

♦ American Institute of Certified Public Accountants (AICPA)
♦ California Society of Certified Public Accountants (CalCPA)
♦ Association of Certified Fraud Examiners (ACFE)
♦ Association of Government Accountants (AGA)
♦ Government Finance Officers Association (GFOA)
♦ California Special Districts Association (CSDA)
♦ California Society of Municipal Finance Officers (CSMFO)
C. Section 3: Professional Team Assignments (continued)

Terry P. Shea, CPA  
Concurring Partner

Professional experience

Mr. Shea began his career with Thomas, Byrne and Smith in 1981. He spent five years with the firm primarily working on audits of municipalities, special districts, redevelopment and other governmental agencies. He joined Rogers, Anderson, Malody & Scott, LLP in 1987 where he has completed governmental audits including municipalities and provided financial consulting services for various cities.

Education/licenses

Bachelor of Arts degree from California State University, Fullerton  
Certified Public Accountant - State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

- City of La Mesa*
- City of Grand Terrace*
- City of Twentynine Palms
- City of Corona*
- City of Norco*
- City of Indio*
- City of Fontana*
- City of Loma Linda*
- City of San Jacinto*
- City of Palm Desert*
- City of Coachella
- City of Goleta
- City of Mission Viejo*
- City of Riverside*
- City of El Cajon*
- City of Indian Wells
- City of Fillmore
- City of Redondo Beach*
- City of Poway
- City of San Marcos

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

Continuing professional education

Mr. Shea has completed over 120 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- American Institute of Certified Public Accountants, Foundations in Governmental Accounting
- American Institute of Certified Public Accountants, Governmental and Not-for-Profit Conference
- California Society of CPAs Education Foundation, Governmental Auditing Skills
- Thomson Reuters, Audits of State and Local Governments

Professional affiliations

Mr. Shea is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
C. Section 3: Professional Team Assignments (continued)

Brad A. Welebir, CPA, CGMA, MBA
Quality Control Partner

Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA CAFR Award program.

Education/licenses

Masters of Business Administration - Accounting Emphasis from California State University, Fullerton
Bachelor of Arts in Business Administration from La Sierra University
Certified Public Accountant - State of California
Chartered Global Management Accountant - American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Poway                      Town of Yucca Valley
City of Twentynine Palms          City of San Juan Capistrano
City of Loma Linda*               City of La Verne
City of San Bernardino*           City of Mission Viejo*
City of Sierra Madre*             City of Rosemead
City of San Jacinto*              City of Redondo Beach*
City of Moorpark*                 City of Claremont
City of Fillmore*                 City of San Marcos

Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- California Society of CPAs Education Foundation, Governmental Accounting and Auditing Update
- American Institute of Certified Public Accountants, OMB A-133 Single Audit Update
- California Society of Municipal Finance Officers, Annual Conference Sessions
- Government Finance Officers Association, GAAP Update
- Thomson Reuters, Yellow Book Update

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
C. Section 3: Professional Team Assignments (continued)

Brianna Schultz, CPA, CGMA  
Manager

Professional Experience

Mrs. Schultz began her career with Rogers, Anderson, Malody & Scott, LLP in July 2014, and had over four years’ experience with another public accounting firm serving the same industry. During her time with the firm, she has worked primarily on audits of municipalities, special districts and redevelopment agencies, as well as various not-for-profit organizations.

Education

Bachelor of Science degree from California State University, San Bernardino  
Certified Public Accountant – State of California  
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*  
City of Baldwin Park*  
City of Chino*  
City of Glendora*  
City of La Mesa*  
City of Moorpark*  
City of Menifee  
City of Sierra Madre*  
City of La Verne  
City of Claremont  
City of Aliso Viejo  
City of Poway*  
City of San Jacinto*  
City of Loma Linda*

Continuing professional education

Mrs. Schultz has completed over 100 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

♦ California Society of Municipal Finance Officers, 2017 GASB Update  
♦ American Institute of Certified Public Accountants, Applying the Uniform Guidance for Federal Awards in Your Single Audits  
♦ CCH Checkpoint, Accounting and Auditing Update

Professional affiliations

Mrs. Schultz is a member of the following professional organizations:

♦ American Institute of Certified Public Accountants (AICPA)  
♦ California Society of Certified Public Accountants (CalCPA)  
♦ Government Finance Officers Association (GFOA)  
♦ California Society of Municipal Finance Officers (CSMFO)
C. Section 3: Professional Team Assignments (continued)

Veronica Hernandez, CPA - Audit Senior

Professional Experience

Veronica is an Audit Senior with the firm. She has over 4 years’ experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit senior, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

Education

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

- City of Moorpark*
- City of Chino*
- City of Menifee
- Town of Yucca Valley
- City of West Covina*
- City of El Cajon*
- City of Sierra Madre*
- City of La Verne
- City of Claremont
- City of Aliso Viejo
- City of Poway*
- City of Loma Linda*

Professional affiliations

Ms. Hernandez is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
D. Section 4: Proposed Costs

See separate file.
E. Section 5: Response Template

See Attachment A
Instructions:
Prospective proposers must provide the information requested below and include it in their proposal. City has provided the form as a separate Word document for bidder's use. Use this form or copy and paste it into your own document; in either case, please provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary; and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

Please provide the following information about your company:

A. Your company's full legal name, address, phone, fax, email, website, including TAX ID number.

Rogers, Anderson, Malody & Scott, LLP
735 E Carnegie Drive, Suite 100
San Bernardino California 92408
909.889.0871 Phone
909.889.5361 Fax
Smanno@ramscpa.net
www.ramscpa.net
FEIN 95-2662063

B. Prior company names (if any) and years in business; mergers, buyouts, etc.

None

C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).

Limited liability partnership

D. Names and titles of the principal owner(s).

Scott Manno, Partner; Brad Welebir, Partner; Terry Shea, Partner; Leena Shanbhag, Partner; Brenda Odle, Partner

E. Person(s) authorized to make commitments for your company.

Scott Manno, Partner; Brad Welebir, Partner; Terry Shea, Partner; Leena Shanbhag, Partner; Brenda Odle, Partner

F. Company history, experience, years in business for current company name.

RAMS was founded in 1948 and offers the full range of services expected of a full service accounting firm. We are one of the oldest and most trusted and respected CPA firms in Southern California, with over 71 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting and management advisory services. Over nineteen thousand hours per year are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations and joint power authorities.
G. The number of clients (including governmental) served in past and present.

Our firm currently serves over 60 government clients. The firm has been around for over 70 years and has served over 150+ governmental clients during that time.

H. Licensed to practice in the State of California, Special qualifications, training, credentials, recognition, or awards.

We are licensed to practice in California.

I. Contracts terminated for cause, pending litigation or legal issues.

None

Exceptions to contract:

Section M. Intellectual Property: Per professional standards, audit documentation is the property of the auditor. Audit documentation is the auditor’s evidence of the procedures performed, evidence obtained, and conclusions reached. However, the auditor may make available to the City, at the auditor’s discretion, copies of the audit documentation, provided such disclosure does not undermine the effectiveness and integrity of the audit process.

II. Resources: Staffing, Facilities, Equipment

Provide the following information relative to required services:

A. Names and titles of key management personnel.

Scott Manno, Partner; Brad Welebir, Partner; Terry Shea, Partner; Brianna Schultz, Manager; Charles De Simoni, Manager; Gardenya Duran, Manager

B. Team to be assigned for these services.

Scott Manno, Partner; Brad Welebir, Partner; Terry Shea, Partner; Brianna Schultz, Manager; Veroncia Hernandez, Senior

C. Qualifications of specific individuals who will work on the project.

Scott W. Manno, CPA, CGMA - Partner, Engagement Partner

Scott is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. He has been in public accounting for 24 years specializing in serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Scott will directly oversee all engagement staff while assisting in planning and performing the engagement as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Scott is a working partner and will be actively and continually involved in all aspects of the engagement.
Terry P. Shea, CPA - Partner, Concurring Partner

Terry is also a municipal audit partner with the firm. He is licensed to practice as a certified public accountant in the State of California. Terry has over 38 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. As the concurring partner, Terry will work directly with Scott in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brad A. Welebir, CPA, CGMA, MBA - Partner, Quality Control Reviewer

Brad will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California. Brad will be responsible for the final quality control review of all released reports. He has over 15 years of practical, governmental accounting and auditing experience.

Brianna Schultz, CPA, CGMA - Engagement Manager

Brianna is an audit manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Brianna has over 9 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. Brianna will work directly with Scott and Terry while supervising the engagement team during all phases of the engagement. In addition, she will oversee the preparation of any required reports.

Veronica Hernandez, CPA - Audit Senior

Veronica is an Audit Senior with the firm. She is licensed to practice as a certified public accountant in the State of California. She has over 4 years’ experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit senior, Veronica will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

D. Amount of time and involvement of key personnel who will be involved in respective portions of the project.

Scott Manno, Partner: Approximately 33 hours
Brad Welebir, Partner: Approximately 4 hours
Terry Shea, Partner: As needed
Brianna Schultz, Manager: Approximately 43 hours
Veronica Hernandez, Senior: Approximately 138 hours

E. Resumes of all team members; provide only names and titles only; attach current resumes to proposal.

See other section of proposal

F. Current number of employees: full-time and part-time employees.

34 all full time
G. Names of any subcontractor's you propose to use for our contract. Provide only names here; fill in the details on City-provided Subcontractors List.
None at this time

H. Facilities that would be utilized to perform the required work.
Office space at City

I. Equipment that would be utilized to perform the required work.
Laptops, scanners printers, etc.

III. Demonstrated and Technical Experience

Please describe your company's:

A. Demonstrated record of success on work previously performed.

We are one of the oldest and most trusted and respected CPA firms in Southern California, with over 71 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting and management advisory services. Over nineteen thousand hours per year are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations and joint power authorities.

We do not use our government accounting and auditing practice as “fill work” for the firm, it is a primary focus of it.

We understand that organizations desire that its auditors have a thorough understanding of the complex accounting and compliance issues confronting Cities such as yours. Our firm has a long history of governmental accounting and auditing. Over the years, we have gained valuable experience, acquired in-depth knowledge, and obtained the technical expertise needed for governmental accounting and auditing. This expertise has enabled us to provide exceptional, high quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental accounting, auditing and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

We have extensive experience in the preparation of Comprehensive Annual Financial Reports (CAFR). For the fiscal year ended June 30, 2016 and 2017, our staff prepared over 15 CAFR’s, and each entity received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2018, again, our staff will have prepared over 20 CAFR’s for our clients for their submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year’s report for submittal. The audit partner on the engagement is also a technical reviewer for the GFOA CAFR award program. In addition, we review all of the CAFR’s for compliance with the GFOA certificate program checklist.

We have extensively audited governmental agencies with Single audit and Housing Successor Agency’s
As a member of the American Institute of CPAs Governmental Audit Quality Center (Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental and not-for-profit audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental and not-for-profit audit practice to deliver the highest quality audit services possible.

In addition, the Governmental Audit Quality Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

B. Specific method and techniques to be employed on the project or problem.

Engagement approach

Our engagement approach for your audit will be developed using established goals which will enable measurement of the audit process by the engagement partner and lead auditor. Our approach involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with the established goals and that any issues which may arise are communicated and dealt with on a timely basis. Our overall knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the management and control environment in each year's audit and thus is capable of responding to changes and will ensure that deadlines are met in issuing the annual financial statements.

Our engagement approach has been developed and refined over many years. The backbone of our approach revolves around the following six constants:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 71 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit and enables us to perform detailed risk assessment procedures. These risk assessment procedures allow us to identify significant audit risk areas within the City.

- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we are able to design audit strategies that result in effective and efficient audits.

- **Timeliness.** Deadlines are not just “dates” to us, they are professional commitments. All required deadlines will be met.
Open communication. Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate “surprises.” Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

Availability. All engagement team members are available throughout the year for any questions or additional consultation.

Cost effectiveness. Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs.

As indicated in the next section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value added characteristics, at no additional cost, that will benefit the City over the long-term:

- All of our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Audit approach and proposed audit segmentation

The following is a summary of the audit team’s audit approach for the City’s engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City’s staff in order to determine convenient dates in which we can begin our audit, and to discuss the assistance to be provided by the City’s staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City’s financial statements to material misstatement and fraud.
• Review and evaluate the City’s accounting and reporting processes by reviewing the prior year’s audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of board meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.

• Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City.

• Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City’s internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City’s personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).

• Test controls, if control risk is assessed below the maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation, and evaluating the completeness of the documentation tested, as well as the adequacy of support and approvals as they appear on the support.

• Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City’s operations.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, as needed, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

• Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

• Identify significant risks.

• Develop a detailed audit plan.

• Design substantive tests of account balances, designed and modified specifically for the District’s operations and assessed level of risk.
Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.).
- Prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement’s quality control partner.
- Issue all reports by the agreed-upon dates.

Using our powerful audit software (Engagement and Teammate Analytics), all audit team members are linked to each other using a local router which enables them to share information at an almost real-time speed. Below are benefits of our audit software:

- We utilize Teammate Analytics, a suite of more than 150 dynamic Computer Aided Audit Tools (CAATs). Using data received directly from the Department, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford’s Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value added services.
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant Department staff time.
- Once your trial balances and financial statements are entered into our software, we are able to observe your statements in the field allowing us to notice any variances and address them at your office.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the Department with fund financial statements almost immediately after importing the trial balances.
- We can provide the Department with our audited trial balances which show the coding of the financial statement schedules for ease of review for Department staff. These reports show each account coded to a specific financial statement line item as well as journal entries posted during the audit.
C. Please confirm the company has not performed any work for the City of Moreno Valley that could pose as a conflict of interest with this RFP.

We have had no previous contract with the City of Moreno Valley.

IV. Work Plan:

Taking all circumstances, current conditions, and required preparations into consideration, describe in detail, your proposed work plan for delivering the services required by this RFP, including, but not limited to;

A. How you will schedule professional staff to ensure milestones and deadlines are met?

Our engagement approach for your audit will be developed using established goals which will enable measurement of the audit process by the engagement partner and lead auditor. Our approach involves frequent communication between the engagement partner, the engagement team and the client to ensure that all audit objectives/deadlines are achieved in accordance with the established goals/deadlines, etc. and that any issues which may arise are communicated and dealt with on a timely basis.

B. Provide required response time to the urgent service requests.

All team members will be available to respond to any service requests. We respond to emails and phone calls as quickly as possible.

C. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

Frequent communication between the engagement partner, the engagement team and the client to ensure that any workhours can be made up as quickly as possible. Since we perform our audits electronically, we can continue to work even if the City cannot.

D. Provide any other relevant information that you believe would benefit City for the requested services.

*External quality control review*

As a member of the AICPA Private Companies Practice Section, our firm has participated in “Peer Review” since 1993 and has been examined every three years since that date. Participation in this program ensures that all of our engagements meet the standards of the AICPA, the Yellow Book and the California State Board of Accountancy. Throughout our participation in this program, the firm has received pass ratings from the peer reviewers. The latest review below included reviews of specific governmental entities.
During the current review, an independent firm reviewed our policies and procedures and then inspected a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to OMB A-133. For the year ended November 30, 2017, our firm received a rating of pass which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

**Disciplinary action**

The firm has never had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house peer reviews over our audit and attest engagements annually.

**Equal Opportunity Employer**

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Submitted by: Rogers, Anderson, Malody & Scott, LLP

Scott W Manno, CPA, CGMA
Partner

Email smanno@ramscpa.net
Phone 909.889.0871
Date April 11, 2019
Attachment B: Special Provisions

All items below apply to this bid proposal:

**Hold Harmless and Indemnification:** The successful bidder hereby agrees to indemnify, defend, and hold harmless City (including its officials, officers, agents, employees, and representatives) from and against any and all claims of any kind or nature presented against City arising out of vendor’s (including vendor’s employees, representatives, and subcontractors) performance under this agreement, excepting only such claims, costs or liability which may arise out of the sole negligence or willful misconduct of City.

**Insurance Provisions:** Unless otherwise stated in the RFP specifications, the following insurance requirements apply:

1. Comprehensive General Liability Insurance: (include products liability) $1,000,000 per occurrence.
2. Auto Liability Insurance: $1,000,000 per occurrence, combined single limit (CSL).
3. Workers' Compensation Insurance: as required by State statutes.
4. Employer's Liability Insurance: $1,000,000 per accident; $1,000,000 policy limit for disease.
5. All policies of insurance must provide for a minimum of thirty (30) days written notice of any change or cancellation of the policy.
6. Insurance policies to be in a form and written through companies acceptable to City; and must include those endorsements which are necessary to extend coverage which is appropriate to the nature of the agreement.

**Affirmative Action:** In support of Affirmative Action, City requires all suppliers to comply with Title VII of the Civil Right Act of 1964, as amended, the Civil Rights Act of 1992, and all federal, state, and municipal laws and regulations pertaining thereto. In addition, successful bidders must certify prior to award of contracts in excess of $50,000 that they have a written affirmative action plan in compliance with the above laws and regulations, and such plan may be reviewed by City. Said Certification may be made by signing below:

Certified to above - FIRM: Rogers, Anderson, Malody & Scott, LLP

SIGNATURE: [Signature]

PRINT NAME: Scott W. Manno, CPA, CGMA

TITLE: Partner

**Exceptions:** If your company is taking exception to any of the specifications, terms or conditions (including insurance, indemnification and/or proposed contract language) stated in this Request for Proposal, please indicate below and describe details: (check any that apply).

- [ ] No exceptions taken
- [ ] Exception taken to the scope of work or specifications
- [ ] Exception taken to indemnification and insurance requirements
- [x] Exception to proposed contract language
- [ ] Other
Please explain any of the checked items:

**Section M. Intellectual Property:** Per professional standards, audit documentation is the property of the auditor. Audit documentation is the auditor’s evidence of the procedures performed, evidence obtained, and conclusions reached. However, the auditor may make available to the City, at the auditor’s discretion, copies of the audit documentation, provided such disclosure does not undermine the effectiveness and integrity of the audit process.

Note: Taking exception to City’s requirements without approval of City prior to submission of your proposal may be cause for rejection of the proposal.

PROPOSING FIRM: Rogers, Anderson, Malody & Scott, LLP

DATE: April 11, 2019

BUSINESS ADDRESS: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408

SIGNATURE OF REPRESENTATIVE: [Signature]

BY: Scott W. Manno, CPA, CGMA TITIE: Partner

INSTRUCTION REGARDING SIGNATURE: If bidder is an individual, state "Sole Owner" after signature. If bidder is a partnership, signature must be by a general partner, so stated after "Title". Names of all other partners and their business addresses must be shown below. If bidder is a corporation, signature must be by an authorized officer, so stated after "Title", and the names of the President and Secretary and their business addresses must be shown below:

Terry Shea, CPA
Leena Shanbhag, CPA
Brad Welebir, CPA, CGMA, MBA
Brenda Odle, CPA

Same as above
Same as above
Same as above
Same as above
## Attachment C: Client References

### Rogers, Anderson, Malody & Scott, LLP

<table>
<thead>
<tr>
<th>1. Client’s Company Name:</th>
<th>City of San Jacinto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>595 South San Jacinto Ave., San Jacinto, CA</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Mr. Tom Prill</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Finance Director</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>951.487.7330</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:tprill@sanjacinto.ca.us">tprill@sanjacinto.ca.us</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>Financial Audit/Single Audit/Successor Agency</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>Years ending June 30, 2011 – present; $35,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Client’s Company Name:</th>
<th>City of La Mesa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>8130 Allison Avenue, La Mesa, CA</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Ms. Sarah Bullock</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Director of Finance</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>619.667.1125</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:sbullock@ci.la-mesa.ca.us">sbullock@ci.la-mesa.ca.us</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>Financial Audit/Single Audit/Successor Agency</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>Years ending June 30, 2011 – present; $40,190</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Client’s Company Name:</th>
<th>City of El Cajon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>200 Civic Center Way, El Cajon, CA</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Ms. Victoria Danganan</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Financial Operations Manager</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>619.441.1720</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:vdanganan@cityofelcajon.us">vdanganan@cityofelcajon.us</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>City CAFR/Successor Agency/PFA/Single Audit/Measure O</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>Years ending June 30, 2008 – present; $48,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Client’s Company Name:</th>
<th>Town of Yucca Valley</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Address:</td>
<td>57090 Twentynine Palms Highway, Yucca Valley, CA</td>
</tr>
<tr>
<td>Contact’s Name:</td>
<td>Mr. Curtis Yakimow</td>
</tr>
<tr>
<td>Contact’s Title:</td>
<td>Town Manager</td>
</tr>
<tr>
<td>Contact’s Telephone &amp; FAX:</td>
<td>760.369.7207</td>
</tr>
<tr>
<td>Contact’s Email:</td>
<td><a href="mailto:cyakimow@yucca-valley.org">cyakimow@yucca-valley.org</a></td>
</tr>
<tr>
<td>Scope of Services/Products Provided:</td>
<td>Financial Audit/CAFR/Successor Agency</td>
</tr>
<tr>
<td>Project Completion Date &amp; Value:</td>
<td>Years ending June 30, 2008 – present; $40,000</td>
</tr>
</tbody>
</table>
Attachment D: Non-Collusion Affidavit

Note: To be executed by Proposer and submitted with proposal.

State of California
(the State of the place of business)

County of San Bernardino
(the County of the place of business)

Scott W. Manno, being first duly sworn, deposes and says that he/she is Scott W. Manno of Rogers, Anderson, Malody & Scott, LLP, the party making the foregoing bid that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership, company, association, organization, or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in such bid are true, and further, that said bidder has not directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said bidder in the general business.

By: [Signature]

Printed Name: Scott W. Manno, CPA, CGMA

Title: Partner

Notary is required for this bid.
ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino

On 04-10-2019 before me, Sonny S. Won, notary public
personally appeared Scott W. Mann
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Notary Public Signature]

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM
This form complies with current California statute regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
- Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
- Indicate title or type of attached document, number of pages and date.
- Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

[Title or description of attached document]

Number of Pages: __ Document Date: 04-10-2019

CAPACITY CLAIMED BY THE SIGNER
- Individual (x)
- Corporate Officer
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other

Technical Proposal to
RFP No. 2019-005
Professional Auditing Services

CITY OF MORENO VALLEY

Submitted by:
Cristy Canieda
Partner
801 S. Grand Avenue, Suite 400
Los Angeles, CA 90017-4646
Tel: (213) 873-1720
Fax: (213) 873-1777
Email: ccanieda@vasquezcpa.com

Date: April 11, 2019
Table of Contents

Section 1: Executive Summary ............................................................................................................. 1
1. Provide a cover letter of your company’s information including: .................................................. 1
   a) Company’s full legal name, address, phone, fax, email, website; ........................................ 1
   b) Prior company names (if any); ................................................................................................. 1
   c) Organizational structure (corp., LLC, etc.); ............................................................................ 1
   d) Name and titles of principal owner(s); ....................................................................................... 1
   e) Person(s) authorized to make commitments for your company; ........................................... 2
   f) Company history, experience (brief), and years in business; ............................................... 2
   g) Current number of employees, key personnel; ........................................................................ 3
2. Note any exceptions to any part of City’s scope, specifications, terms or conditions in this
   letter and explain the reason. ............................................................................................................ 3

Section 2: Supplemental Company Information ..................................................................................... 4
1. Provide any supplemental information not specifically requested by City that you would like
   City to Consider in evaluating your proposal.................................................................................. 4

Section 3: Professional Team Assignments ............................................................................................. 5
1. Note any key personnel who are expected to remain in service until completion of the
   project and their qualifications. ......................................................................................................... 5
2. Provide detail regarding the team to be assigned for these services. ........................................ 5
3. Provide resumes of all team members. .......................................................................................... 8
4. Provide an organizational chart of all team members, titles, and a very brief description of
   their relevant responsibilities. ......................................................................................................... 9

Section 4: Proposal Costs ...................................................................................................................... 14

Section 5: Response Template ............................................................................................................. 15

Section 6: Required Forms and Samples ............................................................................................. 21
Section 1: Executive Summary

1. Provide a cover letter of your company’s information including:

   Re: Technical Proposal to RFP # 2019-005 Professional Auditing Services

   Vasquez & Company LLP (Vasquez) is pleased to submit our Proposal to audit the financial statements of the City of Moreno Valley (City) for the three fiscal years beginning with the fiscal year ending June 30, 2020 with an option of two additional years. Vasquez, as the incumbent firm, has been serving the audit needs of the City for the past five years, and other local governments in California for 50 years. The key aspects of our firm which distinguish us from our competitors are summarized in this letter.

   a) Company’s full legal name, address, phone, fax, email, website;

      Vasquez & Company LLP
      655 N. Central Avenue, Suite 1550
      Glendale, CA 91203
      Tel: 213-873-1700
      Fax: 213-873-1777
      Email: solutions@vasquezcpa.com
      Website: https://www.vasquezcpa.com

   b) Prior company names (if any);

      Vasquez Farukhi & Company LLP

   c) Organizational structure (corp., LLC, etc.);

      Limited Liability Partnership

   d) Name and titles of principal owner(s);

      Gilbert R. Vasquez, Managing Partner
      Roger A. Martinez, Partner
      Arlene Cembrano, Partner
      Cristy Canieda, Partner
      Linda Narciso, Partner
e) **Person(s) authorized to make commitments for your company;**

Gilbert R. Vasquez, Managing Partner  
Roger A. Martinez, Partner  
Cristy Canieda, Partner  

f) **Company history, experience (brief), and years in business;**

Vasquez has performed numerous financial and compliance audits of governmental entities in its 50 years of providing professional auditing services. We have worked extensively with governmental entities and have the expertise to conduct quality audits to the this sector.

<table>
<thead>
<tr>
<th>Clients</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Agura Hills</td>
<td>City of Malibu</td>
</tr>
<tr>
<td>City of Azusa</td>
<td>City of Maywood</td>
</tr>
<tr>
<td>City of Baldwin Park</td>
<td>City of Montebello</td>
</tr>
<tr>
<td>City of Bell</td>
<td>City of Monterey Park</td>
</tr>
<tr>
<td>City of Bell Gardens</td>
<td>City of Moreno Valley</td>
</tr>
<tr>
<td>City of Beverly Hills</td>
<td>City of Norwalk</td>
</tr>
<tr>
<td>City of Calabasas</td>
<td>City of Pico Rivera</td>
</tr>
<tr>
<td>City of Carson</td>
<td>City of Pomona</td>
</tr>
<tr>
<td>City of Commerce</td>
<td>City of Rosemead</td>
</tr>
<tr>
<td>City of Compton</td>
<td>City of San Fernando</td>
</tr>
<tr>
<td>City of Cudahy</td>
<td>City of San Juan Capistrano</td>
</tr>
<tr>
<td>City of Culver City</td>
<td>City of Santa Fe Springs</td>
</tr>
<tr>
<td>City of El Monte</td>
<td>City of Santa Monica</td>
</tr>
<tr>
<td>City of Gardena</td>
<td>City of Simi Valley</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>City of South El Monte</td>
</tr>
<tr>
<td>City of Hidden Hills</td>
<td>City of South Gate</td>
</tr>
<tr>
<td>City of Huntington Park</td>
<td>City of Vernon</td>
</tr>
<tr>
<td>City of Industry</td>
<td>City of Walnut</td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>City of West Hollywood</td>
</tr>
<tr>
<td>City of Irwindale</td>
<td>City of Westlake Village</td>
</tr>
<tr>
<td>City of La Puente</td>
<td></td>
</tr>
<tr>
<td>City of Lawndale</td>
<td></td>
</tr>
<tr>
<td>City of Long Beach</td>
<td></td>
</tr>
<tr>
<td>City of Lynwood</td>
<td></td>
</tr>
</tbody>
</table>
g) Current number of employees, key personnel;

Vasquez is comprised primarily of personnel who left the prestigious “Big Four” international accounting firms to focus on their chosen industry – primarily government and nonprofit – and work with greater autonomy in a progressive, nimble and client-centric environment. The Vasquez leadership consists of seven (7) partners each of who previously worked with one or more of the Big Four – KPMG, PwC, EY and Deloitte. This experience ensures a firm emphasis on quality, innovation, performance standards, opportunity, discipline, and professional growth.

<table>
<thead>
<tr>
<th>Partners/Principals</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>8</td>
</tr>
<tr>
<td>Supervisors</td>
<td>4</td>
</tr>
<tr>
<td>Senior Auditors</td>
<td>18</td>
</tr>
<tr>
<td>Staff Auditors</td>
<td>22</td>
</tr>
<tr>
<td>Professionals</td>
<td>59</td>
</tr>
<tr>
<td>Administrators</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63</strong></td>
</tr>
</tbody>
</table>

2. Note any exceptions to any part of City’s scope, specifications, terms or conditions in this letter and explain the reason.

Vasquez has no exceptions to any part of the City’s scope, specifications, terms or conditions as listed in the RFP.

We thank you for this opportunity to present our firm’s professional qualifications to the City. We trust that you will find Vasquez uniquely qualified to provide the City with professional auditing services. Should you have any questions or desire further assistance, please contact me at the information below.

VASQUEZ & COMPANY LLP

Cristy Canieda
Partner
Government Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
t) 213-873-1703
f) 213-873-1777
e) ccanieda@vasquezcpa.com
Section 2: Supplemental Company Information

1. **Provide any supplemental information not specifically requested by City that you would like City to Consider in evaluating your proposal.**

The key aspects of our firm which distinguish us from our competitors are summarized in this letter.

**Experienced Leaders:**
- Cristy Canieda, Vasquez Partner and former PwC audit manager, will direct and supervise the auditors in performing the engagement, review the audit results, and provide technical expertise as appropriate.
- Roger Martinez, Vasquez Audit Practice Leader and former KPMG office of professional practice partner dealing with complex audit, accounting and risk management issues at a national level, will act as the engagement quality control reviewer.

**National Resources:**
- As part of the RSM US Alliance we have access to the resources, tools and expertise of RSM US LLP (the fifth largest accounting firm in the United States).

**Communication with the City:**
- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you meaningful status reports.
- We will take a proactive approach to developing effective solutions to identified challenges.
- Team members, including the engagement partner and quality control partner will be available to you on a year-around basis.

**Timeliness:**
- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work and avoid end-of-the-audit surprises. As such, we commit to perform the work within the required time period.

**Providing an Effective and Efficient Audit:**
- Our risk-based approach, our high caliber management team, and our experienced staff ensures that critical issues are not overlooked, but instead are promptly identified, communicated to you and resolved to the City’s satisfaction.

Vasquez remains committed to providing the level of service the City has come to expect, even as we strive daily to exceed our past performance. Our relationship with the City is important to us and your feedback indicates you are satisfied with our work on your current engagement. We trust you will continue find Vasquez particularly qualified to perform the audit services requested.
Section 3: Professional Team Assignments

1. Note any key personnel who are expected to remain in service until completion of the project and their qualifications.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cristy Canieda, CPA, CGMA</td>
<td>Lead Partner</td>
</tr>
<tr>
<td>Cristy Canieda, Vasquez Partner and former PwC manager with over twenty (20) years of public accounting and auditing experience to government agencies will lead our delivery of fieldwork services to the City. She will develop our engagement strategy, provide on-site direction to our team, work closely with City management and be available throughout the year to ensure proactive issue identification and service delivery.</td>
<td></td>
</tr>
<tr>
<td>Roger A. Martinez, CPA</td>
<td>Quality Control Partner</td>
</tr>
<tr>
<td>Roger Martinez, Vasquez Audit Practice Leader and former KPMG national office partner with over nineteen (19) years of public accounting experience, will have the responsibility of technical reviewer for the City engagement. He will be the professional standards reviewer of reports issued and will work closely with the Lead Partner in reviewing workpapers and financial reports prior to release.</td>
<td></td>
</tr>
<tr>
<td>Arlene Pingul</td>
<td>Audit Manager</td>
</tr>
<tr>
<td>Arlene Pingul, Vasquez Manager with over fifteen (15) years of public accounting and auditing experience, works closely with the Lead Partner in planning, coordinating and reviewing the audit fieldwork for our governmental clients. She provides guidance and supervision to audit staff, manages the day-to-day activities and task accomplishments, monitors progress, and ensure schedule compliance. She also works to ensure on-going timely communication among all levels of the engagement team and typically spends significant time on-site, ensuring the smooth operation of our audit process.</td>
<td></td>
</tr>
<tr>
<td>Michelle de Guzman, CISA</td>
<td>IT Manager</td>
</tr>
<tr>
<td>Michelle de Guzman, Vasquez Manager with over twenty (20) years of professional experience in the fields of audit and information technology, will work with the Lead Partner and perform an evaluation of City’s internal control environment; performing tests and determining reliance on IT controls.</td>
<td></td>
</tr>
</tbody>
</table>

2. Provide detail regarding the team to be assigned for these services.

Our team structure, staffing, service approach, communication and coordination are refined to fit the unique needs of the City. We staff our engagements with individuals focused on a dedicated industry because of their desire to make a positive impact with their careers, resulting in continuity of the team members you work with year after year.

Our expertise in the government industry allows our team to understand the nuances of your specific business and translate that knowledge into better solutions, faster responses to your questions and a more comfortable (and valuable) working relationship overall.
We devote significant time to training and research activities to understand the economics, operations and trends affecting local government. Our perspective is that of a knowledgeable independent auditor who can relate to the unique aspects of the City. This perspective enables us to provide efficient and cost-effective audit services for our clients.

You should note that the audit team we are proposing for the City assignment has experience with other entities similar to yours. The advantage to the City is the confidence you’ll have in knowing you will be served by partners, managers and staff with direct experience with your operations, systems and personnel.

**Partner Involvement**

Our structure ensures that senior engagement team members are able to spend time on-site, checking the quality of our work, not just verifying we are on target to meet deadlines. Our senior engagement team members are responsible for ensuring delivery of quality work. Our senior members will engage in regularly scheduled meetings with you to answer questions, provide guidance, and help ensure issues are identified and resolved in a timely manner. With our partners on site, informal meetings can more readily occur, and issues get resolved in front of your desk rather than behind ours.

Vasquez has built its reputation on close partner involvement and maintaining strong client relationships. The ultimate success of our client relationships is largely attributable to one key component – our people. We have structured our engagement team with extensive partner involvement. You will find our average partner-to-staff leverage ratio is higher than most other firms. Our budgeted hours include higher partner involvement than what you may have experienced in years past.

Beyond partner leadership and support, an audit is only as good as the people doing the bulk of the work on a day-to-day basis. We are committed to providing a staff resource pool that embodies the attributes that you expect of your auditor, including technical expertise in GASB, knowledge of the government and private industries, and softer skills such as respect, empathy, and timely response to questions. Each team member that we have allocated to serve the City brings relevant experience and receives industry training through our Continuing Professional Education program.

**Continuing Professional Education Program**

To ensure that our professional staff remains up to date on the latest audit and accounting developments, and to meet the requirements for maintaining active licensure in good standing, we see to it that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff. Our team is held to a high standard of quality, we offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation.
City of Moreno Valley
Proposal to RFP #2019-005 Professional Auditing Services

- Attendance at conferences and seminars related to government accounting sponsored by:
  - Government Finance Officers Association
  - Association of Local Government Auditors, and the
  - California Society of Municipal Finance Officers
  - RSM US Alliance.

Following is a list of CPE courses provided by Vasquez for the current year and the past three (3) years:

<table>
<thead>
<tr>
<th>Course</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Government &amp; Nonprofit Audit and Accounting Updates</td>
<td>7/11/2018</td>
</tr>
<tr>
<td>2018 Compliance Supplement and Single Audit Update</td>
<td>6/07/2018</td>
</tr>
<tr>
<td>Not-for-Profit Organizations Conference</td>
<td>6/05/2018</td>
</tr>
<tr>
<td>2018 Government Audit Quality Center Annual Update Webcast</td>
<td>5/08/2018</td>
</tr>
<tr>
<td>2018 Employee Benefit Plan Audit Quality Center Audit Planning</td>
<td>4/27/2018</td>
</tr>
<tr>
<td>Accounting Standard Update HFMA Spring Conference 2018</td>
<td>3/26/2018</td>
</tr>
<tr>
<td>Audit Documentation</td>
<td>8/18/2017</td>
</tr>
<tr>
<td>Compliance Audit Update – Advanced</td>
<td>8/10/2017</td>
</tr>
<tr>
<td>Compliance Audit Update – Intermediate</td>
<td>8/09/2017</td>
</tr>
<tr>
<td>Audit Documentation</td>
<td>8/08/2017</td>
</tr>
<tr>
<td>Auditor’s Responsibility for Fraud</td>
<td>7/25/2017</td>
</tr>
<tr>
<td>Q2 Current Accounting Topics Update</td>
<td>7/14/2017</td>
</tr>
<tr>
<td>Accounting for Leases</td>
<td>7/11/2017</td>
</tr>
<tr>
<td>Risk-Based Auditing</td>
<td>7/03/2017</td>
</tr>
<tr>
<td>2017 State and Local Government Audit</td>
<td>6/30/2017</td>
</tr>
<tr>
<td>Commonly Asked Questions About Uniform Guidance &amp; Yellow Book</td>
<td>6/29/2017</td>
</tr>
<tr>
<td>2017 OMB Compliance Supplement and Single Audit Update</td>
<td>6/08/2017</td>
</tr>
<tr>
<td>Not for Profit Organizations Conference</td>
<td>5/25/2017</td>
</tr>
<tr>
<td>SOC for Cybersecurity</td>
<td>5/22/2017</td>
</tr>
<tr>
<td>State and Local Government Planning Considerations</td>
<td>5/17/2017</td>
</tr>
<tr>
<td>Governmental Accounting &amp; Auditing Conference</td>
<td>5/16/2017</td>
</tr>
<tr>
<td>Q1 Emerging Topics in Auditing</td>
<td>5/05/2017</td>
</tr>
<tr>
<td>GAQC Annual Update</td>
<td>5/02/2017</td>
</tr>
<tr>
<td>Course</td>
<td>Date</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Q1 Current Accounting Topics Quarterly Update</td>
<td>4/12/2017</td>
</tr>
<tr>
<td>GASB 75 OPEB Implementation</td>
<td>2/08/2017</td>
</tr>
<tr>
<td>Revenue Recognition under ASC 606</td>
<td>1/12/2017</td>
</tr>
<tr>
<td>Introduction to Government Auditing Standards</td>
<td>12/14/2016</td>
</tr>
<tr>
<td>Introduction to Governmental Audit and Accounting Issues</td>
<td>12/13/2016</td>
</tr>
<tr>
<td>Introduction to Not-for-Profit Audit and Accounting</td>
<td>12/12/2016</td>
</tr>
<tr>
<td>Audit Year-end Alert</td>
<td>12/08/2016</td>
</tr>
<tr>
<td>Annual Independence Update</td>
<td>12/01/2016</td>
</tr>
<tr>
<td>Audit Documentation</td>
<td>10/25/2016</td>
</tr>
<tr>
<td>Q3 Emerging Topics in Auditing 2016</td>
<td>10/19/2016</td>
</tr>
<tr>
<td>IDEA Training</td>
<td>9/28/2016</td>
</tr>
<tr>
<td>Basics of Internal Control</td>
<td>9/08/2016</td>
</tr>
<tr>
<td>Compliance Update Intermediate</td>
<td>8/09/2016</td>
</tr>
<tr>
<td>Auditors Responsibility for Fraud</td>
<td>5/17/2016</td>
</tr>
<tr>
<td>Audit Documentation</td>
<td>5/16/2016</td>
</tr>
<tr>
<td>Q1 Emerging Topics in Auditing 2016</td>
<td>5/05/2016</td>
</tr>
<tr>
<td>2016 Government and Nonprofit Updates</td>
<td>4/21/2016</td>
</tr>
<tr>
<td>Uniform Guidance Training</td>
<td>3/18/2016</td>
</tr>
<tr>
<td>Interpreting of The Yellow Book</td>
<td>2/25/2016</td>
</tr>
<tr>
<td>Governmental and Nonprofit Annual Update</td>
<td>2/24/2016</td>
</tr>
</tbody>
</table>

3. **Provide resumes of all team members.**

   Resumes included beginning on page 10.
4. Provide an organizational chart of all team members, titles, and a very brief description of their relevant responsibilities.
Areas of Expertise

Cristy’s areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal regulations entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200” (the Uniform Guidance), program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports, State Controller’s reports.

Prior Experience

- City of Baldwin Park
- City of Carson
- City of Cudahy
- City of El Monte
- City of Hawthorne
- City of Huntington Park
- City of La Puente
- City of Lynwood
- City of Montebello
- City of Moreno Valley
- City of San Juan Capistrano
- City of Simi Valley
- City of Norwalk
- City of Pico Rivera
- City of Temple City
- City of Vernon

Professional Background and Affiliations

Cristy’s professional background includes Diehl, Evans & Company and Audit Manager and Manager, Tech. Standards and Continuing Education with PricewaterhouseCoopers. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master’s in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.
Areas of Expertise
Roger’s areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews, Single Audits performed in accordance with Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200” (the Uniform Guidance), program specific audits, financial statement reviews, forecasts and projections to large complex governmental or regulated entities in California.

Representation of Experience
- City of Adelanto
- City of Cudahy
- City of El Monte
- City of Huntington Park
- City of Long Beach
- City of Norwalk
- City of Vernon
- Township of Addison
- Village of Hillside
- Village of Merrionette Park
- Village of Posen
- Village of River Grove

Professional Background and Affiliations
Roger is a member of the American Institute of Certified Public Accountants, California Society of Certified Public Accountants, Los Angeles Chamber of Commerce, and the Association of Latino Professionals in Finance and Accounting. He has held many board memberships with private companies and nonprofit organizations. He is currently on the Advisory Board for the Salvation Army, and Los Angeles County Medical Association.

Educational Background
Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles. He remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.
ARLENE PINGUL
Manager
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: 213-873-1700 x 320
Email: apingul@vasquezcpa.com

Areas of Expertise
Arlene’s areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Circular A-133 and the new Federal “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200” (the Uniform Guidance), program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports and State Controller’s reports.

Representation of Experience
- City of Carson
- City of Hawthorne
- City of Huntington Park
- City of La Puente
- City of Lynwood
- City of Moreno Valley
- City of Norwalk
- City of Temple City
- City of Cerritos
- City of Healdsburg
- City of Irvine
- City of Lake Elsinore
- City of San Juan Capistrano
- City of Santa Clarita
- City of Simi Valley
- City of Temecula

Professional Background
Arlene’s professional background includes auditor positions with PricewaterhouseCoopers and White Nelson Diehl Evans LLP.

Educational Background
Arlene received her Bachelor of Science in Business Administration in Accounting from Tarlac State University. She earned her Masters of Business Administration from De La Salle University. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements.
MICHELLE DE GUZMAN, CISA, CISM
IT Manager
Vasquez & Company LLP
655 N Central Avenue, Suite 1550
Glendale, CA 91203
Tel: 213-873-1700 x 319
Email: mdeguzman@vasquezcpa.com

Area of Expertise
Michelle’s practice is focused on planning, design and performance of IT Enabled Business Transformation; Global & Regional Project/Program Management; Business Process and Systems Management/Optimization; Shared Services, Business Process Outsourcing; Strategic Financial Planning, Analysis and Reporting; Activity Based Management; Information Security; IT Governance, Risk and Compliance; Sarbanes – Oxley (SOX) 404; IT Audit and Controls; Operational Excellence; ERP Security and Controls; ERP Materials Management; Enterprise Information Architecture; Master Data Management; Business Intelligence; Resolution and Incident Management; Performance Metrics; Global & Regional Team Development & Management.

Representation of Experience
- City of Baldwin Park
- City of El Monte
- City of Montebello
- City of Moreno Valley
- City of Simi Valley
- City of Vernon
- Encina Wastewater Authority
- San Gabriel Valley Water Company
- San Joaquin Regional Transit District
- Southern California Edison
- Sunline Transit Agency

Professional Background and Affiliations
Michelle’s professional background includes PwC and Deloitte. She is a certified SAP R/3 Materials Management Consultant, ITIL Foundation V3 Certified, Certified Information Systems Auditor (CISA) and a Certified Information Security Manager (CISM).

Educational Background
Michelle received her Bachelor of Science in Accountancy from the University of the City of Manila, Philippines. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to a Finance/IT professional.
Section 4: Proposal Costs

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit along with the following:

Engagement Assumptions: The proposed fees assume the following:

1. Staff availability to answer questions within the agreed timeframe.
2. Audit fieldwork procedures conducted at a centralized location.
3. No instances of fraud that will require additional procedures.
4. Staff to prepare all financial statements/schedules.
5. All information requested provided within agreed timeframe.
6. 2 major programs subject to Single Audit Act.
7. Information provided is complete and correct for the year being audited.
8. Other unforeseen events such as:
   a. Accounting problems.
   b. Changes in your business or business environment.
   c. Contractual difficulties with suppliers, third-party service providers or clients.

The cost proposal contains all pricing information relative to performing the audit engagement as described in this Request for Proposal. The total all-inclusive maximum price contains all direct and indirect costs including all out-of-pocket expenses.

Please see Cost File submitted separately from this proposal.
Section 5: Response Template

attachment A: Required Response Template

Vasquez & Company LLP

(Bidder’s Company Name)

Instructions:
Prospective proposers must provide the information requested below and include it in their proposal. City has provided the form as a separate Word document for bidder’s use. Use this form or copy and paste it into your own document; in either case, please provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary, and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

   Please provide the following information about your company:

   A. Your company’s full legal name, address, phone, fax, email, website, including TAX ID number.

      Vasquez & Company LLP
      655 N. Central Avenue, Suite 1560
      Glendale, CA 91203
      Tel: 213-873-1700
      Fax: 213-873-1777
      Email: solutions@vasquezcpa.com
      www.vasquezcpa.com
      Tax ID: 33-0700332

   B. Prior company names (if any) and years in business, mergers, buyouts, etc.

      Vasquez Farukhi & Company LLP
      Vasquez & Company has been in business for 50 years.

   C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).

   D. Names and titles of the principal owner(s).

      Gilbert R. Vasquez, Managing Partner

   E. Person(s) authorized to make commitments for your company.

      Roger A. Martinez, Partner
      Cristy Canedia, Partner

   F. Company history, experience, years in business for current company name.
Vasquez, under its current name, was established in 2001 as a Limited Liability Partnership registered with the State of California Department of Consumer Affairs. Vasquez is a small business enterprise certified by the State of California (#24278).

The Vasquez team has performed numerous financial and compliance audits of governmental organizations in its 50 year history. These audits include risk assessments performed pursuant to a structured approach based on the standards set forth in the COSO Principles. Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance and its Compliance Supplement (when applicable), and the Office of the State Controller’s Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). Below is a list of governments for which members of the Vasquez team have provided risk assessments.

G. The number of clients (including governmental) served in past and present.

Vasquez has performed audit and advisory services to approximately 105 government clients consisting of local municipalities, water districts, transportation authorities, K12 local education agencies, higher education, and joint powers authorities.

H. Licensed to practice in the State of California, Special qualifications, training, credentials, recognition, or awards.

Vasquez is properly licensed to conduct public accounting in California. We further assure the City that all “key” engagement team members are properly licensed Certified Public Accountants in California. Vasquez certifies that upon notification, it will inform the City of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents.

Members of the Vasquez team are members in the AICPA Governmental Audit Quality Center. Membership in the AICPA Governmental Audit Quality Center demonstrates our commitment to governmental audit quality, including audits performed under Government Auditing Standards and OMB Uniform Guidance.

Vasquez has assisted the City in achieving its GFOA Certificate of Achievement for Excellence in Financial Reporting.

To ensure that our professional staff remains up to date on the latest audit and accounting developments affecting local governments, and to meet the requirements for maintaining active licensure in good standing, we see to it that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff and client accounting staff. We provide the following CPE programs:

AICPA
Government Finance Officers Association
Association of Local Government Auditors
California Society of Municipal Finance Officers

RSM US Alliance

I. Contracts terminated for cause, pending litigation or legal issues.

The accounting profession is subject to litigation and investigation on a regular basis. As a matter of firm policy and risk management, we do not discuss the details of allegations, investigations and litigation. However we can say that there is nothing in our portfolio of matters that would prevent us from successfully performing on this contract.

II. Resources: Staffing, Facilities, Equipment

Provide the following information relative to required services:

A. Names and titles of key management personnel.
   
   Gilbert R. Vasquez, Managing Partner
   Roger Martinez, Partner
   Cristy Canieda, Partner
   Arlene Cembrano, Partner
   Linda Narciso, Partner
   Elisa Stilwell, Partner
   Lynn Boster, Partner

B. Team to be assigned for these services.
   
   Cristy Canieda, Lead Partner
   Roger Martinez, QC Partner
   Arlene Pingul, Manager

C. Qualifications of specific individuals who will work on the project.

   Cristy Canieda, Vasquez Partner and former PwC audit manager with direct experience with the City's audits, will direct and supervise the auditors in performing the engagement, review the audit results, and provide technical expertise as appropriate.

   Roger Martinez, Vasquez Audit Practice Leader and former KPMG office of professional practice partner dealing with complex audit, accounting and risk management issues at a national level, will act as the engagement quality control reviewer.

   Arlene Pingul, Vasquez Manager formerly with PwC and White Nelson, with direct experience with the City's audits, will manage the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance.
City of Moreno Valley
Proposal to RFP #2019-005 Professional Auditing Services

RFP # 2019-005  Professional Auditing Services  April 2019

D. Amount of time and involvement of key personnel who will be involved in respective portions of the project.

<table>
<thead>
<tr>
<th>Personnel Category</th>
<th>Hours</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>35</td>
<td>5%</td>
</tr>
<tr>
<td>Managers</td>
<td>95</td>
<td>13%</td>
</tr>
<tr>
<td>Senior auditors</td>
<td>300</td>
<td>41%</td>
</tr>
<tr>
<td>Staff auditors</td>
<td>295</td>
<td>41%</td>
</tr>
</tbody>
</table>

E. Resumes of all team members; provide only names and titles only; attach current resumes to proposal.

Cristy Canieda, Lead Partner
Roger Martinez, QC Partner
Arlene Pingul, Audit Manager
Michelle De Guzman, IT Manager

F. Current number of employees: full-time and part-time employees.

60 full-time employees, 0 part-time employees

G. Names of any subcontractor’s you propose to use for our contract. Provide only names here; fill in the details on City-provided Subcontractors List.

None

H. Facilities that would be utilized to perform the required work.

655 N. Central Avenue, Suite 1550, Glendale, CA 91203

I. Equipment that would be utilized to perform the required work.

We use electronic workpapers in documenting our audit process and results. All members of our staff are skilled at auditing in an electronic data processing (EDP) environment and have extensive experience with software applications. Our audit personnel have a wealth of experience in evaluating complex computerized accounting systems of governmental agencies. They are proficient at:

- Analyzing an organization’s information systems, and
- Determine the controls and audit processes required to provide assurance that the information produced is reliable and that the system and data contained therein are secure.

We also use an audit software to generate all fund trial balances, load sheets and detail working papers on laptop computers through either downloads or input of individual fund general ledger information. We use the same software in generating the funds financial statements and in preparing the
III. Demonstrated and Technical Experience

Please describe your company’s:

A. Demonstrated record of success on work previously performed.

We are the incumbent firm that has successfully performed the audits of the City for the past five years. We have assisted the City in achieving its GFOA Certificate of Achievement for Excellence in Financial Reporting.

B. Specific method and techniques to be employed on the project or problem.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides us with a thorough understanding of your business, current situation, needs, and expectations to help ensure there will be no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate with consistent and open dialogue at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, resolve emerging issues proactively, and bring innovative ideas and solutions that deliver value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.

C. Please confirm the company has not performed any work for the City of Moreno Valley that could pose as a conflict of interest with this RFP.

Vasquez discloses that it has performed the annual financial audit of the City for the past five years.

Vasquez is independent and has not performed any that could pose as a conflict of interest with this RFP.

IV. Work Plan:

Taking all circumstances, current conditions, and required preparations into consideration, describe in detail, your proposed work plan for delivering the services required by this RFP, including, but not limited to:

A. How you will schedule professional staff to ensure milestones and deadlines are met?

We leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time, and that
any changes in the schedule will be properly documented and authorized. As part of the planning process we will work with you to agree upon a communications plan that will set forth the protocols for periodic status updates and escalations throughout the project. Throughout the duration of the audit, we will provide regular status reporting consistent with the communications plan.

Embedded within your audit team are experienced project managers who have strong project management skills. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the City to help ensure that there are no surprises during the audit. Additionally, Vasquez will continuously look for ways to improve the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and on a timely basis.

B. Provide required response time to the urgent service requests.

Depending on the service requests, we ensure response is provided on the same day in accordance with the timeline provided by the City.

C. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

We have the resources to be flexible and can adjust our work schedule to changes due to various unforeseen situations that may prohibit work on a specific day.

D. Provide any other relevant information that you believe would benefit City for the requested services.

Submitted by:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Vasquez &amp; Company LLP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Cristy Canieda</td>
</tr>
<tr>
<td>Title</td>
<td>Partner</td>
</tr>
<tr>
<td>Signature</td>
<td>Cristy Canieda</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:ccanieda@vasquezcpa.com">ccanieda@vasquezcpa.com</a></td>
</tr>
<tr>
<td>Phone</td>
<td>213-873-1720</td>
</tr>
<tr>
<td>Date</td>
<td>4/11/2019</td>
</tr>
</tbody>
</table>
Section 6: Required Forms and Samples

Attachment B: Special Provisions

All items below apply to this bid proposal:

Hold Harmless and Indemnification: The successful bidder hereby agrees to indemnify, defend, and hold harmless City (including its officials, officers, agents, employees, and representatives) from and against any and all claims of any kind or nature presented against City arising out of vendor’s (including vendor’s employees, representatives, and subcontractors) performance under this agreement, excepting only such claims, costs or liability which may arise out of the sole negligence or willful misconduct of City.

Insurance Provisions: Unless otherwise stated in the RFP specifications, the following insurance requirements apply:

1. Comprehensive General Liability Insurance: (include products liability) $1,000,000 per occurrence.
2. Auto Liability Insurance: $1,000,000 per occurrence, combined single limit (CSL).
3. Workers’ Compensation Insurance: as required by State statutes.
4. Employer’s Liability Insurance: $1,000,000 per accident; $1,000,000 policy limit for disease.
5. All policies of insurance must provide for a minimum of thirty (30) days written notice of any change or cancellation of the policy.
6. Insurance policies to be in a form ad written through companies acceptable to City and must include those endorsements which are necessary to extend coverage which is appropriate to the nature of the agreement.

Affirmative Action: In support of Affirmative Action, City requires all suppliers to comply with Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1992, and all federal, state, and municipal laws and regulations pertaining thereto. In addition, successful bidders must certify prior to award of contracts in excess of $50,000 that they have a written affirmative action plan in compliance with the above laws and regulations, and such plan may be reviewed by City. Said Certification may be made by signing below:

Certified to above - FIRM: Vasquez & Company LLP
SIGNATURE: [Signature]
PRINT NAME: Cristy Canleda
TITLE: Partner

Exceptions: If your company is taking exception to any of the specifications, terms or conditions (including insurance, indemnification and/or proposed contract language) stated in this Request for Proposal, please indicate below and describe details: (check any that apply).

- X No exceptions taken
- Exception taken to the scope of work or specifications
- Exception taken to indemnification and insurance requirements
- Exception to proposed contract language
- Other
City of Moreno Valley
Proposal to RFP #2019-005 Professional Auditing Services

RFP # 2019-005
Professional Auditing Services
April 2019

Please explain any of the checked items:

________________________________________

Note: Taking exception to City’s requirements without approval of City prior to submission of your proposal may be cause for rejection of the proposal.

PROPOSING FIRM: Vasquez & Company LLP          DATE: 4/11/2019

BUSINESS ADDRESS: 855 N. Central Avenue, Suite 1550, Glendale, CA 91203

SIGNATURE OF REPRESENTATIVE: Cristy Canieda

BY: Cristy Canieda          TITLE: Partner

INSTRUCTION REGARDING SIGNATURE: If bidder is an individual, state "Sole Owner" after signature. If bidder is a partnership, signature must be by a general partner, so stated after "Title". Names of all other partners and their business addresses must be shown below. If bidder is a corporation, signature must be by an authorized officer, so stated after "Title", and the names of the President and Secretary and their business addresses must be shown below:

________________________________________

________________________________________

________________________________________

________________________________________
### RFP # 2019-005

**Professional Auditing Services**  
**April 2019**

#### Attachment C: Client References

<table>
<thead>
<tr>
<th>(Bidder’s Company Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vasquez &amp; Company LLP</strong></td>
</tr>
</tbody>
</table>

| 1. Client’s Company Name: | City of El Monte |
| Client Address: | 11333 Valley Blvd., El Monte, CA 91731 |
| Contact’s Name: | Alex Hamilton |
| Contact’s Title: | City Manager |
| Contact’s Telephone & FAX: | (626) 580-2091 / (626) 453-3612 |
| Contact’s Email: | ahamilton@elmonteca.gov |
| Scope of Services/Products Provided: | Annual financial and compliance audit, single audit, St Controller’s report, Child Development fund audit |
| Project Completion Date & Value: | 12/20/2018 / $35,000 |

| 2. Client’s Company Name: | City of Simi Valley |
| Client Address: | 2920 Tapo Canyon Road, Simi Valley, CA 93063 |
| Contact’s Name: | Irene Peterson |
| Contact’s Title: | Administrative Services Director |
| Contact’s Telephone & FAX: | (805) 583-6725 |
| Contact’s Email: | jpeterson@simivalley.org |
| Scope of Services/Products Provided: | Annual financial and compliance audit, single audit, GANN Limit, Simi Valley library compliance |
| Project Completion Date & Value: | 2/20/2019 / $66,000 |

| 3. Client’s Company Name: | City of Vernon |
| Client Address: | 4305 S. Santa Fe Ave., Vernon, CA 90058 |
| Contact’s Name: | William Fox |
| Contact’s Title: | Finance Director |
| Contact’s Telephone & FAX: | (323) 583-8811-849 |
| Contact’s Email: | wfox@ci.vernon.ca.us |
| Scope of Services/Products Provided: | Annual financial and compliance audit, single audit, Vernon Light & Power audit, GANN Limit, St Controller’s Report |
| Project Completion Date & Value: | 3/31/2019 / $109,350 |

| 4. Client’s Company Name: | City of Baldwin Park |
| Client Address: | 14403 E. Pacific Ave, Baldwin Park, CA 91706 |
| Contact’s Name: | Rose Tam |
| Contact’s Title: | Finance Director |
| Contact’s Telephone & FAX: | (626) 960-4011 x 254 |
| Contact’s Email: | rtam@baldwinpark.com |
| Scope of Services/Products Provided: | Annual financial and compliance audit, single audit |
| Project Completion Date & Value: | 12/31/2018 / $58,000 |

Duplicate this form as necessary to complete list.
Attachment D: Non-Collusion Affidavit

Note: To be executed by Proposer and submitted with proposal.

State of California
(the State of the place of business)

County of Los Angeles
(the County of the place of business)

Cristy Canieda
(name of the person signing this form)
says that he/she is Partner
(title of the person signing this form)
of Vasquez & Company LLP
(name of bidding company), the party making the foregoing bid

that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership, company, association, organization or corporation, that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in such bid are true, and further, that said bidder has not directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said bidder in the general business.

By: [Signature]

Printed Name: Cristy Canieda
(name of the person signing this form)

Title: Partner
(title of the person signing this form)

Notary is required for this bid.