

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2016, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Badawi & Associates, a California Corporation, whose address of record is 180 Grand Avenue, Suite 1500, Oakland, California 94612 (hereinafter referred to as "Consultant").

WHEREAS, City is required to employ a qualified independent auditor to perform annual audits of the City of Merced; and

WHEREAS, City desires to hire an independent auditor in good standing to prepare the audits for the fiscal year ending June 30, 2016, with an option to continue for four (4) additional years to be exercised annually by the City; and

WHEREAS, Consultant represents that it possesses the professional skills to provide the auditing services.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the auditing services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Finance Officer or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Forty Thousand Seven Hundred Seventy Dollars (\$40,770.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. Audit documentation is the property of the auditor. The Consultant may make available to the City at the Consultant's discretion copies of the audit documentation, provided such disclosure does not undermine the effectiveness and integrity of the audit process.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and

unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars

(\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City

may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. **ASSIGNABILITY OF AGREEMENT.** It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall

be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Ke Ayala 4/13/16
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
BADAWI & ASSOCIATES
A California Corporation

BY: A
(Signature)

Ahmed Badawi
(Typed Name)

Its: President
(Title)

BY: A
(Signature)

Ahmed Badawi
(Typed Name)

Its: Treasurer
(Title)

Taxpayer I.D. No. 45-4555509

ADDRESS: 180 Grand Ave, Suite 1500
Oakland, CA 94612

TELEPHONE: (510) 768-8244

FAX: (510) 768-8249

E-MAIL: abadawi@b-acpa.com

EXHIBIT A

SERVICES

1. The City of Merced desires the Contractor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. However, the Contractor is to provide an "in relation to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The Contractor is not required to audit the introductory section or the statistical section of the report.
2. The Contractor 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.
3. The Contractor is to issue an opinion as to whether the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.
4. The financial audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in government Auditing Standards issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
5. Compliance audits and related services will be performed in accordance with applicable standards.
6. Following the completion of the audit of the fiscal year's financial statements, the Contractor shall issue:
 - a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
 - b. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards for the City of Merced.
 - c. A report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. (Single Audit).
 - d. A report on compliance with requirements applicable to each major program and internal control over compliance and any additional reports required in accordance with the standards applicable to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (Single Audit).

- e. Additional reports as may be required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (Single Audit).
 - f. Biennially, a report on compliance with requirements of California Vehicle Code (VC) Sections 9250.7 and 22710 (Abandoned Vehicle Abatement Program). The City of Merced's Abandoned Vehicle Abatement Program was created in July, 2008 as a party to the Merced County Abandoned Vehicle Abatement Service Authority that was established pursuant to Section 22710 of the California Vehicle Code (VC). The Code allows for the abatement, removal or disposal as a public nuisance of any abandoned, wrecked, dismantled, or inoperative vehicle from private or public property. The City's Abandoned Vehicle Abatement Program requires a biennial audit to report on the compliance with VC Sections 9250.7 and 22710. A biennial audit is required in Fiscal Years 2016 and 2018.
 - g. A report on agreed-upon procedures applied to the Appropriation Limit (GANN Limit).
 - h. The reports on compliance and internal controls shall include all instances of non-compliance.
 - i. Contractor shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of to the Director of Support Services.
7. The City of Merced determines the cognizant agency in accordance with the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The schedule of expenditures of federal awards and related Auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately.
 8. The Contractor shall prepare a comfort letter required for the Wastewater and Water loan with California Infrastructure and Economic Development Bank.
 9. The City of Merced will be required to implement Government Accounting Standards Board (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 Contractor and the Finance Officer.
 10. During the term of the agreement, the City of Merced may a prepare comprehensive annual financial report to the Government Finance Officer Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will be required to provide assistance to the City of Merced to meet the requirements of the program at some point during the term of the engagement
 11. The City of Merced is intending to issue the financial statements no later than mid-December of each year.

EXHIBIT B

TIME OF PERFORMANCE

Schedule of the 2016-2020 Fiscal Year Audit

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

- A. Interim Work

The contractor shall complete the interim work by May 31, except in the first year of the contract the date will be extended to June 30.

- B. Detailed Audit Plan

The Contractor shall provide the City of Merced, by May 15, both a detailed audit plan and a list of all schedules to be prepared by the City of Merced. In the first year of contract the date will be extended to June 10.

- C. Fieldwork

The contractor shall complete all fieldwork by the third week of October.

- D. Draft Reports

The contractor shall have drafts of the audit report(s) and recommendations to management available for review by the Deputy Finance Officer by October 31.

2. Entrance Conferences, Progress Reporting, and Exit Conferences

At a minimum, the following conferences should be held by the dates indicated on the schedule.

Entrance conference with the Finance Officer, Deputy Finance Officer and key personnel by May 30, except in the first year of contract the date will be extended to June 30.

- The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.

Progress conference with the Finance Officer, Deputy Finance Officer and key Finance Department personnel June 15, except in the first year of contract the date will be extended to June 30.

- The purpose of this meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested. This meeting will also be to discuss the year-end work to be performed.

Exit conference with the Finance Officer, Deputy Finance Officer and key Finance Department personnel October 31

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

In addition, the auditor shall provide written reports on the progress of the audit.

3. Draft and Final Reports are Due

The Contractor shall prepare the draft financial statements by October 31. The Deputy Finance Officer shall provide all recommendations, revisions, notes and suggestions for improvements to the Auditor by November 15.

The Contractor shall prepare the financial statements, notes, required supplementary schedules, supplementary schedules and statistical schedules, if applicable by November 30. The Finance Officer will review the final draft report as expeditiously as possible. It is not expected that this process should exceed two weeks. During the review periods, the Auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the camera ready reports shall be delivered to the Finance Officer for publication within five (5) workdays.

4. The Single Audit Report for the City of Merced shall be completed on the same schedule as the financial statement timeline noted above.

Exhibit C – Fee Schedule

FINANCIAL AUDITING AND REPORT PREPARATION SERVICES SCHEDULES OF PROFESSIONAL FEES AND EXPENSES (2016)

I. Financial Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	29	\$ 200	130	\$ 3,770
Managers	58	\$ 150	90	5,220
Supervisory Staff	85	\$ 125	80	6,800
Staff	180	\$ 100	70	12,600
IT Specialist	4	\$ 150	100	400
Admin	7	\$ 75	60	420
Subtotal				\$ 29,210

II. Single Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	6	\$ 200	130	\$ 780
Managers	12	\$ 150	90	1,080
Supervisory Staff	15	\$ 125	80	1,200
Staff	20	\$ 100	70	1,400
IT Specialist	0	\$ 150	100	-
Admin	1	\$ 75	60	60
Subtotal				\$ 4,520

III. Biennial Vehicle Abatement Report

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	3	\$ 200	130	\$ 390
Managers	5	\$ 150	90	450
Supervisory Staff	9	\$ 125	80	720
Staff	9	\$ 100	70	630
IT Specialist	0	\$ 150	100	-
Admin	1	\$ 75	60	60
Subtotal				\$ 2,250

IV. TOTAL FOR SERVICES DESCRIBED IN SECTION II-E OF THE REQUEST FOR PROPOSAL

\$ 35,980

V. OUT-OF-POCKET EXPENSES

Meals and Lodging
Transportation

-

-

VI. TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT

\$ 35,980

EXHIBIT C



BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Exhibit C – Fee Schedule

SCHEDULES OF PROFESSIONAL FEES AND EXPENSES (2017)

I. Financial Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	27	\$ 200	150	\$ 4,050
Managers	53	\$ 150	105	5,565
Supervisory Staff	80	\$ 125	90	7,200
Staff	155	\$ 100	80	12,400
IT Specialist	4	\$ 150	105	420
Admin	7	\$ 75	65	455
Subtotal				\$ 30,090

II. Single Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	6	\$ 200	150	\$ 900
Managers	12	\$ 150	105	1,260
Supervisory Staff	15	\$ 125	90	1,350
Staff	20	\$ 100	80	1,600
IT Specialist	0	\$ 150	105	-
Admin	1	\$ 75	65	65
Subtotal				\$ 5,175

III. Biennial Vehicle Abatement Report

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	0	\$ 200	150	\$ -
Managers	0	\$ 150	105	-
Supervisory Staff	0	\$ 125	90	-
Staff	0	\$ 100	80	-
IT Specialist	0	\$ 150	105	-
Admin	0	\$ 75	65	-
Subtotal				\$ -

IV. TOTAL FOR SERVICES DESCRIBED IN SECTION II-E OF THE REQUEST FOR PROPOSAL

\$ 35,265

V. OUT-OF-POCKET EXPENSES

Meals and Lodging

Transportation

-

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VI. TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT

\$ 35,265



Exhibit C – Fee Schedule

SCHEDULES OF PROFESSIONAL FEES AND EXPENSES (2018)

I. Financial Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	24	\$ 200	170	\$ 4,080
Managers	48	\$ 150	115	5,520
Supervisory Staff	75	\$ 125	95	7,125
Staff	160	\$ 100	85	13,600
IT Specialist	4	\$ 150	120	480
Admin	7	\$ 75	70	490
Subtotal				\$ 31,295

II. Single Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	6	\$ 200	170	\$ 1,020
Managers	12	\$ 150	115	1,380
Supervisory Staff	15	\$ 125	95	1,425
Staff	20	\$ 100	85	1,700
IT Specialist	0	\$ 150	120	-
Admin	1	\$ 75	70	70
Subtotal				\$ 5,595

III. Biennial Vehicle Abatement Report

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	3	\$ 200	170	\$ 510
Managers	4	\$ 150	115	460
Supervisory Staff	8	\$ 125	95	760
Staff	8	\$ 100	85	680
IT Specialist	0	\$ 150	120	-
Admin	1	\$ 75	70	70
Subtotal				\$ 2,480

IV. TOTAL FOR SERVICES DESCRIBED IN SECTION II-E OF THE REQUEST FOR PROPOSAL

\$ 39,370

V. OUT-OF-POCKET EXPENSES

Meals and Lodging

Transportation

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VI. TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT

\$ 39,370



Exhibit C – Fee Schedule

SCHEDULES OF PROFESSIONAL FEES AND EXPENSES (2019)

I. Financial Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	24	\$ 200	180	\$ 4,320
Managers	48	\$ 150	110	5,280
Supervisory Staff	75	\$ 125	100	7,500
Staff	160	\$ 100	90	14,400
IT Specialist	4	\$ 150	110	440
Admin	7	\$ 75	70	490
Subtotal				\$ 32,430

II. Single Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	6	\$ 200	180	\$ 1,080
Managers	12	\$ 150	110	1,320
Supervisory Staff	15	\$ 125	100	1,500
Staff	20	\$ 100	90	1,800
IT Specialist	0	\$ 150	110	-
Admin	1	\$ 75	70	70
Subtotal				\$ 5,770

III. Biennial Vehicle Abatement Report

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	0	\$ 200	180	\$ -
Managers	0	\$ 150	110	-
Supervisory Staff	0	\$ 125	100	-
Staff	0	\$ 100	90	-
IT Specialist	0	\$ 150	110	-
Admin	0	\$ 75	70	-
Subtotal				\$ -

IV. TOTAL FOR SERVICES DESCRIBED IN SECTION II-E OF THE REQUEST FOR PROPOSAL

\$ 38,200

V. OUT-OF-POCKET EXPENSES

Meals and Lodging

-

Transportation

-

VI. TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT

\$ 38,200



Exhibit C – Fee Schedule

SCHEDULES OF PROFESSIONAL FEES AND EXPENSES (2020)

I. Financial Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	24	\$ 200	180	\$ 4,320
Managers	48	\$ 150	110	5,280
Supervisory Staff	75	\$ 125	100	7,500
Staff	160	\$ 100	90	14,400
IT Specialist	4	\$ 150	110	440
Admin	7	\$ 75	70	490
Subtotal				\$ 32,430

II. Single Audit

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	6	\$ 200	180	\$ 1,080
Managers	12	\$ 150	110	1,320
Supervisory Staff	15	\$ 125	100	1,500
Staff	20	\$ 100	90	1,800
IT Specialist	0	\$ 150	110	-
Admin	1	\$ 75	70	70
Subtotal				\$ 5,770

III. Biennial Vehicle Abatement Report

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	3	\$ 200	180	\$ 540
Managers	4	\$ 150	110	440
Supervisory Staff	8	\$ 125	100	800
Staff	8	\$ 100	90	720
IT Specialist	0	\$ 150	110	-
Admin	1	\$ 75	70	70
Subtotal				\$ 2,570

IV. TOTAL FOR SERVICES DESCRIBED IN SECTION II-E OF THE REQUEST FOR PROPOSAL

\$ 40,770

V. OUT-OF-POCKET EXPENSES

Meals and Lodging
Transportation

-

-

VI. TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT

\$ 40,770

Exhibit C – Fee Schedule

Our fees are firm fixed prices that are based on an estimate of 444 hours to perform procedures necessary to provide the requested services. In determining our fees, we understand that the City's records will be in condition to be audited ; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, we will be furnished with copies of bank reconciliations, and other reconciliations and analyses prepared by the City and The City personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary, which we will communicate and discuss with the City. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by Badawi & Associates ("the Firm") in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, the Firm may incur significant unanticipated costs
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to the Firm (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). The Firm will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
 - a. New accounting issues that require an unusual amount of time to resolve.
 - b. Changes or transactions that occur prior to the issuance of our report.
 - c. Changes in the City's accounting personnel, their responsibilities, or their availability.
 - d. Changes in auditing requirements set by regulators. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by the Firm. All invoices, contracts and other documents which we will identify for the City, are not located by the accounting personnel or made ready for our easy access.
5. A significant level of proposed audit adjustments is identified during our audit.
6. Changes in audit scope caused by events that are beyond our control.
7. Untimely payment of our invoices as they are rendered.



Exhibit C – Fee Schedule

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Hourly Rate
Partner	\$ 200
EQR	200
Manager	150
Senior	125
Staff	100
IT	150
Admin.	75

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

