



REQUEST FOR PROPOSALS FOR AUDIT SERVICES

FOR THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

PROPOSALS DUE

March 3, 2025

4:00 p.m.

Monterey Peninsula Water Management District

P.O. Box 85

Monterey, CA 93942-0085

(831) 658-5600

www.mpwmd.net

Date issued: February 11, 2024

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RFP – Audit Services

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Introduction

The Monterey Peninsula Water Management District is requesting proposals from qualified and experienced independent certified public accounting firms to audit and report on the annual financial statements and internal controls of the Monterey Peninsula Water Management District (District). Such firms must possess the required license(s) to practice in the State of California and regularly practice in local government audits. These audits are to be performed in accordance with generally accepted accounting principles and governmental auditing standards, the standards set forth for financial and compliance audits for local Governments and Special Districts, and the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements. The District operates on a July 1 – June 30 fiscal year. The District anticipates a three-year audit service agreement, with the option to extend the agreement for two additional years, subject to annual review by the District.

Background

MPWMD was formed in 1978 to augment water supply through integrated management of ground and surface water; promote water conservation, reuse, storm, and wastewater reclamation; and environmental quality, native vegetation, fish and wildlife, and recreation on the Monterey Peninsula and in the Carmel River Basin.

The District is governed by a seven-person Board of Directors that includes five elected Directors who serve a four-year term, and a County Supervisor and local Mayor who are appointed annually.

Scope of Work

The District desires the auditor to express an opinion on the fair presentation of its financial statements of the governmental activities and each major fund of the District in conformity with generally accepted accounting principles.

Reports to be Issued:

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

1. Perform an audit in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants, and in accordance with "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's office.
2. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position and cash flows in conformity with generally accepted accounting principles, and issue an independent auditors' report stating this opinion.
3. Provide general consultation as required during the year on financial accounting and reporting matters including implementation of applicable GASB pronouncements.

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4. Test internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, in accordance with Government Auditing Standards and issue an independent auditors' report on their consideration.
5. Prepare year-end adjusting journal entries, including but not limited to GASB 68 and GASB 75.
6. Provide a report identifying significant audit findings, identify any corrected and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies, and material weakness, if any, and recommendations for improvements in accounting and administrative controls.
7. Communicate in a letter to management any reportable and non-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. Nonreportable 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.
8. Review agreed-upon procedures applied to Appropriations Limit (Gann).
9. Provide a report on the fair presentation of the financial statements of the District in conformity with generally accepted accounting principles.
10. Assist in the preparation and compilation of the District's Annual Comprehensive Financial Report (ACFR) in accordance with Government Finance Officers Association (GFOA) Excellence in Financial Reporting award guidelines. This includes but is not limited to comparative statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows on the combined and individual funds at the end of the current and preceding year, with supporting notes and schedules that provide details of account balances. Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A), budgetary comparison information, and Supplementary Information. As part of the audit, the auditing firm shall include audits from related agencies such as the CAWD/PBCSD Reclamation Project that are considered enterprise funds of the District and incorporate them in the ACFR. *The auditing firm shall coordinate with the District so that the ACFR is submitted to GFOA within 180 days of the end of the fiscal year for award after Board review.*
11. Auditor will provide a final presentation to the Board of Directors at the Regular Board Meeting at the conclusion of each audit.
12. Prepare a Single Audit report if necessary.
13. Prepare and submit the State Controller's Special Districts' Financial Transaction Report pursuant to Government Code Section 53891.

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request.

The selected auditor will be expected to contact the previous auditor (where applicable) and related agencies to inquire about any historical working papers or information required for the completion of the audit and preparation of ACFR.

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Assistance to be Provided to the Auditor

The Financial/Administrative Department staff will be available during the audit to assist the auditor by providing information, documentation, and explanations.

District staff is flexible and will work with the auditor to conduct the audit virtually and/or in-person as appropriate.

Current Financial, Billing and Scheduling Software

The District currently utilizes Tyler Incode software program.

RFP Schedule

The tentative schedule for this RFP is as follow:

Task	Date
Issue RFP	February 11, 2025
Questions Due	February 19, 2025 before 5:00 p.m.
Final Date for Addenda	February 24, 2025 before 5:00 p.m.
Proposals Due	March 03, 2025 before 4:00 p.m.
Proposal Review and Interviews if required	March 2025 (tentative)
MPWMD Board Consideration	April/May 2025 (tentative)
Estimated notification	May/June 2025 (tentative)

Proposals received after the Proposals Due time will not be accepted. Proposals shall remain valid for 90 days after the opening date.

Proposal Instructions

Point of Contact

Simona Mossbacher, Contracts Specialist
Monterey Peninsula Water Management District
simona@mpwmd.net

All interested parties regarding this RFP shall notify the District’s Contracts Specialist, who will send an email confirming a proposer’s addition to the email notifications list. It will be the interested party’s responsibility to obtain a confirmation.

Questions and correspondence regarding this solicitation shall be sent in writing to the District’s Contracts Specialist in advance of the Questions Due date given in the RFP Schedule. Answers will be communicated by written addenda and uploaded to the website on or before the Final Date for Addenda given in the RFP Schedule. Questions submitted after the Questions Due Date will not be answered. Only answers to questions communicated by formal written addenda will be binding.

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Reference Documentation

All RFP documentation, information, updates, and responses will be made available on the project website.

<https://www.mpwmd.net/who-we-are/project-bids-rfps/>

MPWMD reserves the right to revise the RFP documents. Any changes to the requirements will be made by written addenda to this RFP. MPWMD will upload the addenda to the website.

It is the responsibility of each Proposer to check the website for any addenda or updates through the Final Date for Addenda given in the RFP Schedule. It is the responsibility of each Proposer to download and print all RFP documents for review and to verify the completeness of the documents before submitting a proposal. MPWMD does not assume any liability or responsibility based on any defective or incomplete copying, excerpting, scanning, faxing, downloading, or printing of the RFP documents.

Proposal Requirements

To facilitate a fair and efficient review of all proposals, please structure your proposal in the following format. Responses that do not follow this format will be scored accordingly and are subject to rejection.

1. **Transmittal Letter:** A title page/cover addressed to the Chief Financial Officer, Monterey Peninsula Water Management District that includes the name of the audit firm, address, telephone number, contact person, and the date of the proposal. A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement as to why the firm believes itself to be best qualified to perform the engagement, and a statement that the proposal is a firm and irrevocable offer for one hundred and twenty (120) days. All other services not included herein shall be negotiable as required.
2. **Table of Contents:** Identifying the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.
3. **Proposal:** Any documents related to mandatory elements, technical qualifications, and cost proposal as per the section titled 'Proposal Evaluation' herein.
4. **Sample Letters:** A copy of the Management Representation Letter that MPWMD staff will be required to sign at the completion of the annual audit or before the finalization of the Annual Comprehensive Financial Report (ACFR). A copy of the Governance Letter or equivalent that the auditing firm has used and may use to communicate with the Board.

MPWMD is not liable for any cost incurred by Proposer in response to this solicitation.

Submission

Proposals must be received by the District on or before 4:00 pm (PST) on March 03, 2025. Proposals received by the District after the deadline will not be considered. Proposers must email a PDF copy of the proposals to simona@mpwmd.net. Any hardcopies may be delivered to:

Attention: Finances and Administrative Services Division
Simona Mossbacher

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Monterey Peninsula Water Management District
5 Harris Court Building G
Monterey, CA 93940
Attention: Audit Services RFP

A confirmation email will be sent to Proposers who supplied the Contract Specialist with an email address. If a confirmation email is not received, it is the Proposer's responsibility to contact the Contracts Specialist.

It is the Proposer's responsibility to ensure delivery of the proposals. MPWMD will not be responsible for proposals that are delinquent, lost, or incorrectly submitted.

No amendment, addendum, or modification will be accepted after the Proposals Due Date given in the RFP Schedule.

Proposal Evaluation

Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria that will be considered during the evaluation process.

- **Mandatory Elements:**
 - ✓ The audit firm is independent and licensed to practice in California.
 - ✓ The firm has no conflict of interest with regard to any other work performed by the firm for the District.
 - ✓ The firm submits a copy of its most recent external quality control review report, and the firm has a record of quality audit work.
 - ✓ The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - ✓ The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
 - ✓ The firm shall provide a minimum of three references that may be contacted regarding the firm's capabilities. References shall include the audited firm's name, contact name, current contact information, and the type and dates of services rendered.
 - ✓ The firm shall include cost proposal fees to be charged for all audit services for each report for each fiscal year requested. The maximum fee shall include all direct and indirect costs, including such items as travel and out-of-pocket expenses.

- **Technical Qualifications and Services (50%)**
 - ✓ Expertise and Experience - The firm's experience and performance on comparable government engagements and the quality of the firm's professional personnel to be assigned to the engagement. Name and experience of the person(s) who will be leading the engagement for the District.

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- ✓ Staff Qualifications – Identify the principal supervisory and management staff, including partners, manager, other supervisors, and specialists who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California.
 - ✓ A copy of the firm’s most recent peer review or quality assurance review.
 - ✓ Services and Timeframe – The firm shall provide a listing of services, data, schedules and information to be furnished by the District, type and extent of use of software in the engagement, and a specific timeframe to complete various phases of audit and preparation of the ACFR.
- Audit Approach (20%)
 - ✓ Approach and Adequacy of a proposed staffing plan for various segments of the engagement, adequacy of sampling techniques, and adequacy of analytical procedures.
 - ✓ Milestones or timeline to complete the audit and finalize ACFR.
 - Cost Proposal (30%)
 - ✓ Price - Proposals shall include a total all-inclusive maximum fee to be charged for audit services and development of ACFR for each of the three (3) fiscal years and two (2) options to renew as requested. The maximum fee shall include all direct and indirect costs. Costs for the following shall be broken out separately:
 - Preparation of Single audits.
 - Preparation of the State Controller’s Report.
 - Travel and out-of-pocket expenses.

MPWMD reserves the right to interview any, all, or none of the respondents at its discretion. Interviews, if any, will be scheduled during the week stated in the RFP Schedule. The interview session will not exceed one hour per firm. The costs of attending any interview are the Consultant’s responsibility.

Failure to acknowledge all posted addenda in the proposal may cause a proposal to be deemed non-responsive to this RFP and be rejected without further evaluation. A proposal may be considered non-responsive if is conditional, incomplete, contains alterations of form, or other irregularities that may constitute a material change to the proposal. MPWMD reserves the right to waive any informalities or irregularities in this RFP process, or in any proposal.

MPWMD expressly reserves the right to postpone the RFP process for its own convenience. MPWMD reserves the right, after opening the proposals, to reject any or all proposals, or to accept proposal(s) that in its sole judgment are in the best interest of the MPWMD, to award all or a portion of the proposed scope of work, or to cancel all or part of this RFP.

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Agreement to Terms and Conditions

By submitting the proposal, the Proposer agrees to furnish the articles and/or services stipulated in the proposal at the price quoted, subject to the instructions and conditions in the RFP, contract terms, and insurance requirements.

MPWMD will not compensate any Proposer for the cost of preparing the proposal, and all materials submitted with a proposal shall become the property of MPWMD. MPWMD may retain all proposals submitted and may use any idea in a proposal regardless of whether that proposal is selected.

The successful Proposer will be required to execute a Professional Services Agreement (Agreement) with MPWMD. The standard form of the Agreement is enclosed (Exhibit 1). The successful Proposer must be willing to accept the attached Professional Services Agreement.

No change in personnel assigned to the project will be permitted without the written approval of the District staff.

The contract agreement will be for all items in the scope of work and one year of on-call support that is renewable at the option of MPWMD.

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Exhibit 1 MPWMD Sample Agreement

**AGREEMENT BETWEEN THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND
XXXXXX
FOR PROFESSIONAL SERVICES TO PROVIDE PROFESSIONAL AUDIT SERVICES**

THIS AGREEMENT is entered into this XXXXXX day of XXXXXX, 20 XXXXXX, by and between XXXXXX, hereinafter called "Consultant," and the Monterey Peninsula Water Management District, hereinafter called "MPWMD".

SECTION I - SCOPE OF SERVICES

MPWMD hereby engages Consultant for services as set forth in **Exhibit A**, Scope of Work.

SECTION II COMPENSATION

A. FEE SCHEDULE

Fees payable to Consultant for services specified herein shall be in accordance with the Budget and Fee Schedule in **Exhibit B**.

B. METHOD OF PAYMENT

Payment of fees shall be based on work completed, as documented in monthly billings submitted by Consultant. Monthly billings shall include previous invoice amount, current invoice amount, and remaining budget. Work reports shall be rendered in accordance with the schedule shown in **Exhibit C**, Work Schedule.

Payments are due and payable within thirty (30) days after receipt of each invoice subject to a finding by MPWMD that work performed has been satisfactory and that payment is for the work specified in **Exhibit A**, Scope of Work. Where MPWMD finds the work to be unsatisfactory, MPWMD shall describe deficiencies in writing to Consultant within ten (10) days.

The final invoice for work performed shall be submitted not later than sixty (60) days following notification by MPWMD of completion of such work. The final invoice shall be paid not later than thirty (30) days after receipt of the final invoice.

C. MAXIMUM PAYMENT

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Payments to Consultant for services rendered and expenses incurred under this Agreement **shall not exceed \$XXXXXX.**

D. LATE PERFORMANCE PENALTY

With respect to the work within its direct control, in the event Consultant is unable to perform satisfactory work consistent with the professional skill and care ordinarily provided by professionals practicing in the State of California under the same or similar circumstances within thirty (30) calendar days of the date such work is due pursuant to **Exhibit C**, Work Schedule, MPWMD may, in its discretion, withhold an additional five percent (5%) of the fees which would otherwise be payable pursuant to the fee schedule set forth in Exhibit B. This amount may be increased to a maximum of 10% after sixty (60) calendar days of the date such work is due.

Consultant shall not be responsible for delays to the Schedule due to actions outside of its immediate control. Delays due to lack of performance by other parties shall be documented and the Schedule adjusted to reflect the length of the delay incurred

SECTION III TIME OF PERFORMANCE

Consultant shall begin work upon the effective date of this Agreement and shall complete all tasks described herein according to the schedule shown in **Exhibit C**, Work Schedule, and consistent with the professional skill and care ordinarily provided by engineering professionals practicing in the State of California under the same or similar circumstances.

SECTION IV INSPECTION OF WORK

The books, papers, records and accounts of Consultant or any subconsultants retained by Consultant insofar as they relate to charges for services, or are in any way connected with the work herein contemplated, shall be open at all reasonable times to inspection and audit by the agents and authorized representatives of MPWMD. Said records shall be retained for a minimum of five (5) years after completion of services.

SECTION V OWNERSHIP OF PROJECT REPORT AND EQUIPMENT PURCHASED

All original documents, explanations of methods, maps, tables, computer programs, reports and other documents prepared under this Agreement and equipment purchased specifically for the project shall become the exclusive property of MPWMD. Digital data used to generate tables, figures, diagrams, images, Geographical Information System (GIS) or Computer Aided Design (CAD) drawings shall be considered separate deliverables and shall be provided to MPWMD after acceptance by MPWMD of the final work product(s). All original source files shall be provided to MPWMD after acceptance by MPWMD of the final work product(s).

Consultant may retain copies for Consultant's own use.

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SECTION VI RESPONSIBILITIES

- A. Consultant represents that Consultant has or will secure at Consultant's own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant shall act as an independent consultant and not as an agent or employee of MPWMD. Consultant shall have exclusive and complete control over Consultant's employees and subcontractors, and shall determine the method of performing the services hereunder.
- B. Upon request, MPWMD shall provide Consultant with all relevant data and studies in its possession without charge. Consultant represents that Consultant is familiar with such materials provided by MPWMD and that they are sufficient to discharge MPWMD's obligation hereunder.
- C. MPWMD shall coordinate and arrange for all meetings required to be held with other agencies or persons hereunder, unless otherwise specified in **Exhibit A**, Scope of Services.
- D. Consultant shall be responsible for the reproduction of work produced by Consultant hereunder.
- E. The officers, agents, and employees of MPWMD shall cooperate with Consultant in the performance of services under this agreement without charge to Consultant. Consultant agrees to use such services insofar as feasible in order to effectively discharge Consultant's obligations hereunder and further agrees to cooperate with MPWMD's officers, agents and employees.
- F. The Consultant agrees to indemnify, defend and save harmless MPWMD, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all consultants, subcontractors, material men, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Consultant, Consultant's employees, or Consultant's subcontractors or subconsultants in the performance of this Agreement.
- G. Consultant shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care, skill, and diligence ordinarily exercised under similar conditions (Standard of Care) by a member of Consultant's profession currently practicing in California.

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SECTION VII INSURANCE

- A. Consultant shall obtain and keep insurance policies in full force and effect as shown in **Exhibit D**, Insurance Requirements.
- B. Consultant shall provide photocopies of its current Automobile insurance policy [or policies], including endorsements thereto, or current certificates of insurance in lieu thereof, to MPWMD.
- C. Consultant shall require any subcontractor to provide evidence of the same insurance coverages specified in VII.A.
- D. Consultant shall provide notice to MPWMD of any cancellation or material change in insurance coverage where MPWMD has been named as additional insured, such notice to be delivered to the MPWMD in accord with Section XV of this Agreement at least ten (10) days before the effective date of such change or cancellation of insurance.
- E. Evidence acceptable to MPWMD that Consultant has complied with the provisions of this Section VII shall be provided to the MPWMD, prior to commencement of work under this Agreement.
- F. All policies carried by the Consultant shall provide primary coverage instead of any and all other policies that may be in force. MPWMD shall not be responsible for any premium due for the insurance coverages specified in this Agreement.

SECTION VIII CHANGES AND CHANGED CONDITIONS

- A. If, during the course of the work herein contemplated, the need to change the Scope of Work or the Work Schedule should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet within seven (7) working days of the date of such notice to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Scope of Work may also result in a change in the compensation amount. Compensation changes shall be based upon the Consultant Budget and Fee Schedule (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement.
- B. MPWMD reserves the right to specify individual employees, subcontractors or agents of Consultant who shall be assigned to perform the tasks specified in **Exhibit A**, Scope of Services. If, during the course of the work herein contemplated, there is a change such that the specified individual employees, subcontractors or agents are no longer assigned to the work described in this contract and/or are no longer affiliated with Consultant, Consultant shall immediately notify MPWMD in writing. Consultant shall assign the rights to this

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contract to another entity, if requested by MPWMD, as part of termination proceedings pursuant to Section IX, Termination.

SECTION IX TERMINATION

- A. MPWMD may terminate Consultant's services at any time by written notice to Consultant at least thirty (30) days prior to such termination. Upon receipt of written notice from MPWMD that this Agreement is terminated, Consultant shall submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which Consultant has not previously been compensated. Upon approval of this invoice by MPWMD, Consultant shall be paid from the sum found due after having applied the provisions of Section II, Paragraph (D) of this Agreement, "Late Performance Penalty," where applicable, and MPWMD shall have no further obligation to Consultant, monetarily or otherwise.
- B. Upon receipt of written notice of termination, the Consultant shall (1) promptly discontinue all services affected (unless the notice directs otherwise), and (2) deliver or otherwise make available to MPWMD, copies, including magnetic media, of data, design calculations, drawings, specifications, reports, estimates, summaries and other such information and materials as may have been accumulated by the Consultant in performing the services under this Agreement.

SECTION X SUB-CONTRACTING AND ASSIGNABILITY

Consultant shall not sub-contract any portion of the work required by this Agreement nor otherwise assign or transfer any interest in it without prior written approval of MPWMD. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

SECTION XI DISCRIMINATION AND FAIR EMPLOYMENT

Attention is directed to Section 1735 of the California Labor Code, which reads as follows:

“No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the government code and every Consultant for public works violating this section is subject to all penalties imposed by a violation of this chapter.”

During the performance of this Agreement, Consultant and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Consultant and its contractors shall insure that the evaluation and

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treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

SECTION XII INTEREST OF CONSULTANT

Consultant covenants that Consultant presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

SECTION XIII CONTINGENT FEES

Consultant warrants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant to solicit or secure this Agreement, and that Consultant has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, MPWMD shall have the right to annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XIV DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Monterey. The prevailing party shall be awarded costs of suit, and attorneys' fees.

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SECTION XV NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

MPWMD: XXXXXX
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 or
 P. O. Box 85
 Monterey, CA 93942-0085

CONSULTANT: XXXXXX
 XXXXXX

SECTION XVI AMENDMENTS

This Agreement together with **Exhibits A, B, C and D** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

SECTION XVII ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

- Exhibit A.** Scope of Work
- Exhibit B.** Budget and Fee Schedule
- Exhibit C.** Work Schedule
- Exhibit D.** Insurance Requirements
- Exhibit E.** Drug Free Workplace Certification

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IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

_____ **Date** _____

BY: David J. Stoldt, General Manager

CONSULTANT

_____ **Date** _____

BY:

FEDERAL TAX IDENTIFICATION NUMBER:

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EXHIBIT A – SCOPE OF WORK

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EXHIBIT B – BUDGET AND FEE SCHEDULE

Intentional Blank

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EXHIBIT C – WORK SCHEDULE

Intentional Blank

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EXHIBIT D – INSURANCE REQUIREMENTS

- I. Subgrantee shall provide evidence of valid and collectible insurance carried for those exposures indicated by an "X".
- A. X Professional Liability Errors & Omissions
 - B. X Workers Compensation and Employers Liability
 - C. X Automobile Liability - "Any Auto - Symbol 1"
 - D. X Comprehensive General Liability, including Bodily Injury, Property Damage and Personal Injury
 - E. X Owners & Contractors Protective
 - F. Protection & Indemnity (Marine/Aviation)
- II. The minimum limit of protection provided by insurance policies for each of the coverages listed above shall be not less than \$2,000,000. The procurement and maintenance by the Subgrantee of the policies required to be obtained and maintained by Subgrantee under this Agreement shall not relieve or satisfy Subgrantee's obligation to indemnify, defend and save harmless the District.
- III. Evidence of insurance carried shall be Certificates of Insurance for the current policies. The District shall be listed as a certificate holder on the Subgrantee's Comprehensive General Liability insurance policy and the policy must be endorsed to provide a 60-day prior written notice of cancellation.
- IV. The District requires that all Subgrantees carry a commercial liability policy written on a broad comprehensive general liability form.
- A. Such protection is to include coverage for the following hazards, indicated by an "X":
 - 1. X Premises and Operations
 - 2. X Products and Completed Operations
 - 3. Explosion Collapse and Underground
 - 4. X Broad Form Blanket Contractual
 - 5. X Broad Form Property Damage
 - 6. X Personal Injury, A, B & C
 - 7. X Employees named as Persons Insured
 - 8. X Protective and/or Contingent Liability (O&CP)
 - B. The "Persons Insured" provision on each comprehensive general liability policy shall include as an insured the "Monterey Peninsula Water Management District, its officers, directors, agents and employees."

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- C. This policy shall contain a severability of interest clause or similar language to the following:
- "The insurance afforded applies separately to each insured against whom claim is made or suit is brought including claims made or suits brought by any persons included within the persons insured provision of the insurance against any other such person or organization."
- D. All policies shall contain a provision that the insurance company shall give the District at least thirty (30) days prior written notice mailed to the address shown below prior to any cancellation, lapse or non-renewal. The 30-day written notice must be shown on all certificates of insurance.
- E. Certificates of Insurance for the current policies shall be delivered by the Subgrantee to the Risk Manager for the District as verification that terms A, B, C and D have been met.
- V. All insurance correspondence, certificates, binders, etc., shall be mailed to:
- Monterey Peninsula Water Management District
Attn: Administrative Services Manager
5 Harris Court, Building G
P.O. Box 85
Monterey, CA 93942-0085
- VI. All policies carried by the Subgrantee shall be primary coverage to any and all other policies that may be in force. The District shall not be responsible for payment of premiums due as a result of compliance with the terms and conditions of the insurance requirements.
- VII. All such policies of insurance shall be issued by domestic United States insurance companies with general policy holders' rating of not less than "B" and admitted to do business in the State of California. The policies of insurance so carried shall be carried and maintained throughout the term of this Agreement.

RFP – Audit Services

EXHIBIT E – DRUG-FREE WORKPLACE CERTIFICATION

The District is committed to maintaining a work environment free from the influence of alcohol and drugs in keeping with the spirit and intent of the Drug-Free Workplace Acts of 1988 and 1990. Illegal drugs in the workplace are a danger to all of us. They impair health, promote crime, lower productivity and quality, and undermine public confidence in the work we do. The use of any controlled substances is inconsistent with the behavior expected of our employees, contractors, and subcontractors. It subjects all employees, contractors, and subcontractors, as well as visitors to our facilities and work site, to unacceptable safety risks and undermines the District's ability to operate effectively and efficiently. In this connection, any location at which Monterey Peninsula Water Management District business is conducted, whether on District property or at any other site, is declared to be a drug-free workplace. This means that:

1. All employees, contractors, and subcontractors are absolutely prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, sale, or use of a controlled substance in the workplace or while engaged in District business off our premises. Violation of this policy by contractors or subcontractors could result in termination of the contract for their services.
2. Employees, contractors, and subcontractors have the right to know the dangers of drug abuse in the workplace, the Monterey Peninsula Water Management District's policy about it, and what help is available to combat drug problems.
3. Any employee, contractor, or subcontractor convicted of violating a criminal drug statute in this agency's workplace must inform the District of such conviction (including pleas of guilty and nolo contendere) within five (5) days of its occurrence. Failure to do so by a contractor or subcontractor could result in termination of the contract for their services. By law, the District will notify the federal contracting officer within ten (10) days of receiving any notice of such a conviction.

ALL CONTRACTORS AND SUBCONTRACTORS ARE ASKED TO ACKNOWLEDGE THAT THEY HAVE READ THE ABOVE POLICY AND AGREE TO ABIDE BY IT IN ALL RESPECTS. BY LAW, THIS ACKNOWLEDGEMENT AND AGREEMENT ARE REQUIRED OF YOU AS A CONDITION OF ENTERING INTO THIS AGREEMENT.