

**AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
MAZE & ASSOCIATES ACCOUNTING CORPORATION**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Maze & Associates Accounting Corporation, a California corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. City desires to secure the services more fully described in this Agreement, at Exhibit A, entitled "Scope of Services";
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes

and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on January 1, 2022 and terminate on March 31, 2027.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is set forth in Exhibit B, which is subject to budget appropriations and includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not

be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed

or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

In accordance with AICPA auditing standards and protocols, all audit documentation prepared under this Agreement is the property of the Contractor. Contractor shall make available to the City or to other parties copies of the audit documentation, provided such disclosure does not undermine the effectiveness and integrity of the audit process, in accordance with Section 7 of Exhibit A. Audit documentation shall not include information or documents received from the City, or the final work product/deliverables described in Sections 5 and 6 of Exhibit A, which shall be the property of the City.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

- A. It is agreed that Contractor shall defend, hold harmless, and indemnify the City, its officers, and employees from any and all claims, suits, or actions of every name, kind, and description, brought for, or on account of, injuries to or death of any person(s) or damage to property of any kind whatsoever and to whomsoever belong, which arise out of the negligent acts or omissions of the Contractor, its officers and/or employees, other than Contractor, provided that this shall not apply to injuries for which City has

been found by a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

- B. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Finance Department
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at dnoce@santaclaraca.gov, and
manager@santaclaraca.gov

And to Contractor addressed as follows:

Maze & Associates Accounting Corporation
Attention: Amy L. Meyer
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523
and by e-mail at amym@mazeassociates.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City's Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

See next page.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: _____

Dated: _____

Office of the City Attorney
City of Santa Clara

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

MAZE & ASSOCIATES ACCOUNTING CORPORATION
a California corporation

Dated: 9-20-2021

By (Signature): 

Name: Amy L. Meyer

Title: Vice President - Audit

Principal Place of Business Address: 3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

Email Address: amym@mazeassociates.com

Telephone: (925) 930-0902

Fax: (925) 930-0135

"CONTRACTOR"

EXHIBIT A

SCOPE OF SERVICES

1. INTRODUCTION

- 1.1.** The Contractor) shall audit the financial records, accounts and statement of the City of Santa Clara (City) for the five fiscal years beginning with the fiscal year ending June 30, 2022.
- 1.2.** To the extent not inconsistent with this Agreement between the City and Contractor including this Scope of Services, the City's SOQ 20-21-78 (including subsequent updates) and Contractor's proposal response dated June 30, 2021 are hereby incorporated by reference herein, and shall supplement this Scope of Services and be subject to the terms and conditions of the Agreement.

2. GENERAL REQUIREMENTS

- 2.1.** The audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in U.S. General Accounting Office's Government Auditing Standards (2018), the provisions of the Single Audit Act of 1984, as Amended in 1996, and Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as well as any other applicable federal, state, local or programmatic audit requirements.
- 2.2.** The audit will include examination of all funds of the City as set forth in Section 3 below by certified public accountants duly authorized to practice as such by the State of California and such other audit procedures as necessary to express an independent opinion on the fair presentation of the City's financial statements in conformity with generally accepted accounting principles. Contractor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB), as mandated by generally accepted auditing standards.
- 2.3.** Contractor shall subject to audit trial balance worksheets and summary schedules including balance sheets, revenues, expenditures, and changes in fund balance for each fund of the City. Data source for the schedules will be the financial statements supplied by the City. An initial draft of the Annual Financial Report will be prepared by City Staff and will be given to Contractor during the final stage of the audit. Contractor shall also assist in the preparation of various footnotes and ensure the Annual Financial Report will comply with the latest required GASB Statements applicable for any year under audit.

- 2.4.** Contractor shall meet with City Staff, the Finance Committee, and City Council for the purpose of discussing the audits or management letter and its conclusions.
- 2.5.** The final reports are subject to review by the City Audit Committee and City Council. The City's Audit Committee consists of three Councilmembers who meet at least semi-annually, and as necessary. Contractor shall ensure that the City's Audit Committee is informed of each of the following:
 - 2.5.1.** Contractor's responsibility under generally accepted auditing standards
 - 2.5.2.** Significant accounting policies
 - 2.5.3.** Management judgments and accounting estimates
 - 2.5.4.** Significant audit adjustments
 - 2.5.5.** Other information in documents containing audited financial statements
 - 2.5.6.** Disagreements with City's management
 - 2.5.7.** Management consultation with other accountants
 - 2.5.8.** Major issues discussed with management
 - 2.5.9.** Difficulties encountered in performing the audit
- 2.6.** In the required reports on compliance and internal controls, Contractor shall immediately notify the City of any reportable conditions found during the course of 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 City's ability to record, process, summarize and report financial data consistent with the assertions of City's management in the financial statements.
 - 2.6.1.** Reportable conditions that are also material weaknesses shall be identified as such in the report.
 - 2.6.2.** Non-reportable conditions discovered by Contractor shall be reported in a separate letter to City's management, which shall be referred to in the reports on internal controls.
 - 2.6.3.** The reports on compliance shall include all instances of noncompliance.

2.7. Contractor shall immediately provide the following City Staff with a written report of all irregularities and illegal acts or indications of illegal acts that come to its attention during the course of the audit:

2.7.1. Director of Finance

2.7.2. Assistant Director of Finance

2.7.3. Audit Manager

3. FUNDS TO BE AUDITED

3.1. Fund Structure

The City has two major governmental funds (including the General Fund) and five major proprietary funds. The City also maintains the following non-major reporting level fund structure:

Fund type/Account Group	Number of Funds
Special Revenue Funds	6
Debt Service Funds	1
Capital Projects Funds	8
Private Purpose Trust Funds	2
Enterprise Funds	5
Internal Service Funds	6
Agency (Trust) Funds	3

3.2. Budgetary Basis of Accounting

Budgets for the General and Maintenance Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. The modified accrual basis of accounting is employed in the preparation of the budget. At fiscal year-end, budget appropriations lapse. Capital projects are budgeted on a multi-year basis. Capital improvement budget appropriations are carried over in the following fiscal year until the project is completed.

3.3. Federal and State Financial Assistance

During the fiscal year to be audited, the City expects to have received Federal financial assistance either directly or passed through another agency from the following:

No.	Agency Name
1	U.S. Department of Housing & Urban Development <ul style="list-style-type: none"> Community Development Block Grant Community Development Block Grant - Corona Virus Home Investment Partnerships Program
2	U.S. Department of Justice <ul style="list-style-type: none"> Equitable Sharing (Seized Assets) Edward Byrne Memorial Justice Assistance Grant
3	U.S. Department of Transportation <ul style="list-style-type: none"> Highway Planning and Construction Metropolitan Transportation Committee Planning Grant
4	Federal Emergency Management Agency <ul style="list-style-type: none"> Corona Virus Emergency Protective Actions
5	Potential U.S. Department of Homeland Security Grants
6	CARES Act Funds (Passed through the State)
7	American Rescue Plan's Local Fiscal Recovery Program

3.4. Pension and Deferred Compensation Plans

The City participates in the California Public Employees' Retirement System (CALPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The fund provides retirement, disability and death benefits based on an employee's years of service, age and final compensation. Most part-time employees are covered under a separate, employee-funded "PARS" plan. The City also offers a 457 deferred compensation plan to all employees.

3.5. Component Units

The City is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100.

The management of the City has identified the following component units for inclusion in the City's financial statements:

1	The Santa Clara Public Facilities Financing Corporation was established as a separate legal entity whose sole purpose is to provide financing for various City capital projects. Federal Form 990 and State Form 199 preparation is part of the scope of services requested.
2	The City of Santa Clara Sports and Open Space Authority (SOSA) was created by the City Council in 1974 for the acquisition and development of open space within the City.
3	The City of Santa Clara Housing Authority (HA) was established in 2011 to account for housing loans to assist in eliminating blight and assume responsibility for housing loans for qualifying individuals and groups.
4	The City of Santa Clara Stadium Authority was established as a separate legal entity in 2011 to construct and operate a stadium facility that will reduce physical and economic blight in the Bayshore North Project Area. Fiscal Year for the Stadium Authority is April 1 through March 31.

Component units 1, 2, and 3 are to be audited as part of the audit of the City of Santa Clara's financial statements. ***The Santa Clara Stadium Authority is audited separately and not included in this scope of services.***

3.6. Joint Ventures

The City's Electric and Sewer Utilities participate in significant joint ventures: Northern California Power Agency (NCPA), the Transmission Agency of Northern California (TANC), San Jose-Santa Clara Water Pollution Control Plant and Clean Water Financing Authority (SJSC), M-S-R Energy Authority (MSR EA) and M-S-R Public Power Agency (MSR PPA). In addition, the City is a participant in the Silicon Valley Animal Control Authority (SVACA).

3.7. Finance Operations

The Department of Finance is headed by the Director of Finance. The Department consists of 61.42 employees and administers the financial affairs of the City, including city-owned public utilities. The Department's mission is to ensure that the financial/fiscal activities of the City, its agencies, and corporations are performed, recorded, and presented in compliance with professional and ethical standards. The Department is comprised of the following divisions: Administrative Services, Financial Management, Accounting Services, Purchasing, and Municipal Services. The City's accounting, financial reporting and investing functions are centralized in the Finance Department.

3.8. Information Systems

The City's main financial applications consist of Oracle PeopleSoft (Human Resource and Financials), a browser based application available to users via PCs connected to the City's internal network. In addition, the City's Utility Billing software is Harris NorthStar. For other cashiering services, the Department uses CORE software and is in the process of implementing the Accela solutions for certain Community Development services. The business license function operates on software provided by HdL, and the permit center operates on software provided by Tidemark, which will also be replaced with Accela. Certain departments rely on industry specific software in managing their programs (Class system by Parks & Recreation).

4. CITY'S ASSISTANCE TO BE PROVIDED TO CONTRACTOR

4.1. Finance Department and Clerical Assistance

The City's Finance Department staff and responsible management personnel will be available during the audit to assist Contractor by providing direction to needed sources of information, documentation and explanations. The City will also prepare the confirmation letters.

4.2. Information & Technology Department (IT) Assistance

City IT personnel and Finance management will be available to provide systems documentation and explanations. Contractor will be provided computer time and the use of the City's computer hardware and software. The City's financial management system will be available online from 7:30 a.m. to 6:00 p.m. Pacific Standard Time.

4.3. Statements and Schedules to be Prepared by City Staff

The City's Finance Department staff will prepare all audit schedules. The City understands that the financial statements are the responsibility of City's management.

4.4. Work Area and Equipment

The City will provide Contractor with reasonable workspace, desks and chairs, access to telephone lines, photocopying and FAX machines, and a personal computer for access to the City's financial management system, if needed. It is expected that Contractor's use of such facilities and equipment be limited to reasonable and pertinent business concerning the audit.

5. REPORT PREPARATION / FILING SUBMISSIONS

The City's report and tax filing process will be as follows:

- 5.1.** The City will be responsible for preparation, editing, printing and submission of the Annual Financial Report and SVP Financial Statements.
- 5.2.** Single Audit preparation, editing and report electronic submission shall be the responsibility of Contractor. City Staff will prepare the Schedule of Expenditures and Federal Awards.
- 5.3.** Public Facilities Financing Corporation Federal Form 990 and State Form 199 preparation and filing submission shall be the responsibility of the Contractor.

6. DELIVERABLES

- 6.1.** Following the completion of the audit of the fiscal year's financial statements, Contractor shall issue:
 - 6.1.1.** A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards "in relation to" the audited financial statements of the City.
 - 6.1.2.** A report on compliance and internal control over financial reporting based on an audit of the financial statements.
 - 6.1.3.** A report on compliance and internal control over compliance applicable to each major federal program.
 - 6.1.4.** Separate audit reports for the financial statements of the City of Santa Clara Electric Utility Enterprise Fund doing business as Silicon Valley Power (SVP).
 - 6.1.5.** Single Audit Act Report - The City receives federal funds which come under the provision of the Single Audit Act. This report must satisfy all requirements of the federal Single Audit Act and any related amendments.
 - 6.1.6.** Transit Audit Report - The City receives Transportation Development Act (TDA) funds which require a financial and compliance audit and a separate audit report in accordance with the TDA section of the California Administrative Code.
 - 6.1.7.** Contractor is also expected to perform agreed-upon auditing procedures pertaining to the City's GANN Limit (Appropriations Limit) and render a letter annually to the City regarding compliance.

- 6.1.8.** Contractor is also expected to prepare the federal Form 990 and State Form 199 for the Santa Clara Public Facilities Financing Corporation.
- 6.1.9.** Contractor is also expected to perform Agreed Upon Procedures and report on Investment Policy Compliance
- 6.2.** Contractor shall be prepared to provide up to twenty (20) additional consulting hours on accounting and technical matters throughout the year (including training on newly adopted GASB pronouncements).
- 6.3.** The City has received the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada for 28 consecutive years as of the fiscal year 2018-19. It is the City's intention to continue to receive this award annually and will expect the Annual Financial Report to meet the requirements of those programs. Contractor shall review the final draft of the Annual Financial Report for compliance with the certificate program checklists. The City may request Contractor, subject to compliance with independence standards, include the following:
 - 6.3.1.** Complete Agreed Upon Procedures audits to be determined.
 - 6.3.2.** Assist with, and train City employees in, the implementation of GASB statements which become effective during the term of the contract.

7. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

- 7.1.** All working papers and reports must be retained, at the Contractor's expense, for a minimum of seven (7) years from the date of the final audit report, unless Contractor is notified in writing by the City of the need to extend the retention period. Contractor shall make working papers available, upon request, to the following parties or their designees:
 - 7.1.1.** City of Santa Clara
 - 7.1.2.** Oversight or cognizant agencies
 - 7.1.3.** Parties designated by the federal or state governments or by the City of Santa Clara as part of an audit quality review process
 - 7.1.4.** Auditors of entities of which the City of Santa Clara is a sub-recipient of grant funds
 - 7.1.5.** Auditors of entities of which the City of Santa Clara is a component unit or otherwise related entities

- 7.2.** In addition, Contractor shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

8. PRELIMINARY AUDIT TIMELINE / RESPONSIBILITY MATRIX

Below is a proposed timeline for the fiscal year 2021-22 audit, which is subject to adjustments at the City's discretion. Specific timelines and due dates for deliverables will be established between City and Contractor in advance.

Deliverable	Responsibility	Delivery Date
Entrance Conference – discuss prior audit, establish overall liaison for the audit, make arrangements for workspace, etc.	City / Contractor	May 2
Audit Plan – provide audit plan and list of all schedules to be prepared by the City	Contractor	May 16
Interim Audit Work	City / Contractor	May 23 - June 10
Progress Conference/Detailed Final Audit Plan	City / Contractor	June 10
Final Audit Fieldwork	Contractor	October 10 - 28
City to deliver first draft of Annual Financial Report	City	First week of final audit fieldwork
Final Audit Exit Conference – discuss any audit findings and structure timeline to complete all required reports	City / Contractor	October 28
Annual Financial Report – Contractor's initial comments due to City Staff	Contractor	November 11
City's Annual Financial Report Draft including Contractor comments	City	November 18
Final Drafts completed for all required reports	City / Contractor	November 30
Approximate Audit Committee Meeting	City / Contractor	December 5-9
Contractor issues final audit opinions	Contractor	December 16
Approximate Audit Report Presentation to City Council	City / Contractor	December 20

No work which will require City time can be scheduled between July 1 and September 30 as this time is reserved for City staff to complete year-end work and audit preparation.

9. ADDITIONAL SERVICES

During the term of this Agreement, City may from time to time request that Contractor perform additional services including, without limitation, additional GASBs and Single Audit work. Prior to Contractor's provision of such additional services, the parties shall mutually agree in writing the scope of work and maximum fee based upon the hourly rate schedule set forth in Exhibit B.

EXHIBIT B SCHEDULE OF FEES

1. MAXIMUM COMPENSATION

The maximum compensation the City will pay the Contractor for all professional fees, costs and expenses provided under this Agreement shall not exceed **Seven Hundred Three Thousand Four Hundred Twenty-Seven Dollars (\$703,427)** during the term of the Agreement. Any additional professional fees, costs and expenses requested by the City that would exceed the preceding maximum amount will be addressed in an Amendment to the Agreement.

2. TOTAL COST OF AUDIT

The total cost of audit for the fiscal years ending June 30, 2022 through June 30, 2026 are set out in the following table. The prices specified below are firm fixed fees and do not include any additional services that may be requested by the City.

Audit Services	FY ending June 30, 2022	FY ending June 30, 2023	FY ending June 30, 2024	FY ending June 30, 2025	FY ending June 30, 2026
City Audit and Related Reports (Comprehensive Annual Financial Report) and Silicon Valley Power Report	\$125,895	\$127,658	\$129,445	\$131,257	\$133,095
Single Audit (one major program) ¹	5,125	5,197	5,270	5,344	5,419
Transit Report (TDA)	4,025	4,081	4,138	4,196	4,255
Appropriations (Gann) Limit Agreed Upon Procedures	821	832	844	856	868
Forms 990/199 for Public Facilities Financing Corporation	935	948	961	974	988
Training and GASB Implementation Support ²	Included	Included	Included	Included	Included
Out-of-pocket expenses	Included	Included	Included	Included	Included
Subtotal	\$136,801	\$138,716	\$140,658	\$142,627	\$144,625
Total	\$703,427				

¹Fee is per tested (major) program.

²Includes up to 24 additional consulting hours on accounting and technical matters throughout the year (including in-house training on newly adopted GASB pronouncements).

3. ADDITIONAL SERVICES

The following hourly rates will only be utilized to the extent the City requests Contractor to perform services outside the defined scope of services. Out-of-pocket expenses are included in the standard hourly rates. City and Contractor will execute an Amendment to the Agreement outlining the additional services.

Position	Hourly Rate
Partner	\$325
Manager	\$205
Supervisor	\$135
Associate	\$95
Administrative Staff	\$80

4. INVOICING

Contractor will invoice the City on a monthly basis. Invoices will be based on the percentage of actual audit work completed during the course of the engagement. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect during the period of performance of the Agreement and for twenty-four (24) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance as to the City of Santa Clara so that any other coverage held by the City shall not contribute to any loss under Contractor's insurance. The minimum coverages, provisions and endorsements are as follows:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:
 - \$1,000,000 Each Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products/Completed Operations Aggregate
 - \$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at

least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of the Contractor. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim or two million dollars (\$2,000,000) aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution

from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

- a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required

by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be e-mailed to ctsantaclara@ebix.com:

Or by mail to:
EBIX Inc.
City of Santa Clara – Finance Department
P.O. Box 100085 – S2
Duluth, GA 30096
Telephone number: 951-766-2280
Fax number: 770-325-0409

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representative