Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at Oxnard.org/city-meetings, Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings are typically available online immediately following the meeting.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 8:00 a.m. on the day of the meeting. Please identify the agenda item in the email Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 8:00 a.m. on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org (identify the agenda item in the Subject line).

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE

Council Chambers, 305 West Third Street
April 28, 2020
Regular Meeting - 9:30 to 10:45 AM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

   SUBJECT: Approval of Minutes.

   RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the April 14, 2020 regular meeting as presented.

   Contact: Michelle Ascencion, (805) 385-7805

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

D. REPORTS

1. Finance Department

SUBJECT: Contract with Audit Firm for Annual Financial Audits and Single Audits for Federally Funded Programs for Fiscal Years 2019-20 through 2023-24. (10/10/10)

RECOMMENDATION: That the Finance and Governance Committee recommend City Council award Agreement No. to Eadie+Payne LLP for a five-year agreement in the amount of $1,075,100 for annual financial audits and Single Audits for Federally funded programs.

Contact: Kevin Riper, (805) 385-7475

2. Finance Department

SUBJECT: Oral Update on the COVID-19 Economic Impacts. (10/10/5)

RECOMMENDATION: That the Finance and Governance Committee receive an oral update on the COVID-19 economic impacts to the City and the City's options for the remainder of this Fiscal Year as well as the 2020-2021 Fiscal Year Budget.

Contact: Alexander Nguyen, Kevin Riper, (805) 385-7430, (805) 385-7475

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

M I N U T E S
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
April 14, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 9:30 a.m., Chair Flynn called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Member Bert E. Perello and Chair Tim Flynn were present via telephone; Member Vianey Lopez was absent.

Staff members present were Alexander Nguyen, City Manager; Stephen M. Fischer, City Attorney; Todd Vasquez-Housley, Environmental Services Division Manager; Kevin Riper, Chief Financial Officer; Christine Williams, Senior Manager–Internal Controls (via telephone); and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the March 24, 2020 regular meeting as presented.

It was moved by Member Perello, seconded by Chair Flynn, to approve the minutes as presented. VOTE: Flynn and Perello voted in favor; the motion carried 2-0.

D. REPORTS

City Manager Department

1. SUBJECT: City of Oxnard Environmental Resources Division Cash Handling Report.
RECOMMENDATION: That the Finance and Governance Committee recommends City Council receive and file the Internal Auditor Report on the Environmental Resources Division Cash Handling.

Henry Oum and Usman Ilyas, internal auditors from Price Paige & Company, gave a report. Discussion ensued among the Committee and staff. No formal action was taken.

Finance Department

2. SUBJECT: Presentation of Single Audit Report and Update on Corrective Action Plan.
RECOMMENDATION: That the Finance and Governance Committee receive the Single

Audit Report from the audit firm Eadie+Payne, an update on the Corrective Action Plan (CAP) from staff, and give authorization to forward both presentations to City Council.

Eden Casareno of Eadie+Payne and the Senior Manager–Internal Controls gave a report. Discussion ensued among the Committee and staff.

It was moved by Member Perello, seconded by Chair Flynn, to approve the recommended action as presented. VOTE: Flynn and Perello voted in favor; the motion carried 2-0.

E. ITEMS FOR FUTURE AGENDAS

Member Perello requested an item on insurance and potential litigation, pertaining to development and sea level rise.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Flynn adjourned the meeting at 10:46 a.m.

MICHELLE ASCENCION, CMC
City Clerk

TIM FLYNN
Chair

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: April 28, 2020

TO: Finance & Governance Committee

FROM: Kevin Riper, Chief Financial Officer, (805) 385-7475, kevin.riper@oxnard.org

SUBJECT: Contract with Audit Firm for Annual Financial Audits and Single Audits for Federally Funded Programs for Fiscal Years 2019-20 through 2023-24. (10/10/10)

RECOMMENDATION

That the Finance and Governance Committee recommend City Council award Agreement No. to Eadie+Payne LLP for a five-year agreement in the amount of $1,075,100 for annual financial audits and Single Audits for Federally funded programs.

BACKGROUND

On September 1, 2015 City Council awarded a contract to Eadie+Payne LLP for annual financial audits and Federally required Single Audits.

With the recent submittal to the Federal Audit Clearinghouse of the Single Audit for the year ended June 30, 2019, Eadie+Payne's contract (including subsequent amendments) is complete.

As a result, the Purchasing Division of the Finance Department issued on February 3, 2020 a Request for Proposals for Professional Auditing Services.

The Purchasing Division posted the RFP on the City's public purchasing platform, and notified directly a number of accounting and auditing firms, encouraging them to respond. In addition, over the 4 days immediately preceding release of the RFP, the Assistant Chief Financial Officer and the Controller visited, in person, other audit firms at the annual conference of the California Society of Municipal Finance Officers in Anaheim, asking them to submit proposals.

Despite this aggressive outreach effort, only two firms responded to the RFP: Brown Armstrong of Bakersfield and Eadie+Payne of Riverside. An evaluation team was formed to review the two proposals. The six evaluation team members were the Mayor, CFO, Assistant CFO, Controller, Senior Manager -- Internal Controls, and Information Technology Manager -- Enterprise Applications. Evaluation team members all signed the Purchasing Code of Conduct; attended the Purchasing Division's evaluation kickoff meeting; reviewed the proposals; and then interviewed both firms via teleconference. (COVID-19 response meetings precluded the Mayor from attending the interviews and scoring the proposals.)

Combined scoring of the two proposals appears below:

RFP Element (max. points)	Brown Armstong	Eadie + Payne
Responsiveness to RFP (5)	3	5
Relevant experience/ credential/ resumes/licenses/certifications (45)	31	40
Technical Capability and Project Methodology (15)	8	13
Cost (35)	35	25
TOTAL (100)	77	83

The evaluation team felt that both proposers had knowledgeable, experienced audit partners and staff, with an edge to Eadie+Payne's demonstrated experience in conducting audits of municipalities in some financial and accounting distress. Eadie+Payne included two of the firm's partners on its engagement team for the first year of the contract, versus just one for Brown Armstrong. Evaluation team members expressed confidence that both proposers could fulfill the contract at a distance, from their firm headquarters in Riverside and Bakersfield, respectively. Eadie+Payne scored higher than Brown Armstrong on the realisticness of their proposed audit plan, and their overall familiarity and staff experience with the types of accounting and reporting challenges generally confronting cities of a size, complexity and history like Oxnard's. Eadie+Payne demonstrated significantly more familiarity with the particular challenges facing the City of Oxnard -- obviously due in great part to having been the City's auditor for the last five years.

These attributes pushed Eadie+Payne's total score above Brown Armstrong's, despite a decided advantage to the latter for cost, as shown in the table above.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

Eadie + Payne has committed to a not-to-exceed cost for the annual financial audit and the Single Audit for each of the five years of the contract:

FY 2019-20: $210,600
FY 2020-21: 210,600
FY 2021-22: 216,100
FY 2022-23: 216,100
FY 2023-24: <u>221,700</u>
TOTAL $1,075,100

By comparison, the total cost of the same audit services for the last five years was $1,408,733.

The annual cost will be included in the Finance Department budget for each fiscal year, beginning with the Proposed Budget for FY 2020-21.

Prepared by: Kevin Riper, Chief Financial Officer

ATTACHMENTS

1. Eadie+Payne Professional Audit Services Agreement
2. Eadie and Payne response to RFP (incorporated into Audit Services Agreement) reduced
3. Audit Services Contract Powerpoint FGC 04.28.20

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For

Professional Audit Services Agreement

AGREEMENT FOR PROFESSIONAL SERVICES
COVER PAGE

(1) Agreement Start Date: May 19th, 2020.

(2) Consultant: Eadie and Payne

(3) Services: Professional Audit Services

(4) Schedule of Services:

- The period of performance anticipated for this agreement is for financial audits and Single Audits for each of the five fiscal years from FY 2019-20 through FY 2023-24.

(5) Agreement Ending Date: June 30, 2025.

(6) Total Agreement Amount: $1,075,100.00

(7) City's Project Manager: Kevin Riper Chief Financial Officer

(8) Consultant's Project Manager: Hong Nguyen Client Service Executive

(9) Insurance Coverage: INS-B

(10) Addresses for Notice:

FOR CONSULTANT:

3880 Lemon St. Ste 300
Riverside, CA 92501

FOR CITY:

300 W Third Street.
Oxnard, CA 93030

(11) Contact Emails:

CONSULTANT'S PROJECT

Hong Nguyen

hnguyen@eadiepaynellp.com

CITY'S PROJECT MANAGER:
MANAGER:

Kevin Riper
kevin.riper@oxnard.org

The Agreement for Professional Services is attached hereto and incorporated herein by this reference. The following exhibits are also attached hereto and incorporated herein by this reference into the Agreement:

- ☐ Scope of Services Exhibit
- ☐ Rates and Costs Exhibit
- ☐ Insurance Exhibit (INS- B)

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is entered into in Ventura County, California, on the date that is written as "(1) Agreement Start Date" on the Cover Page, which is attached hereto and incorporated herein by this reference. This Agreement is entered by and between the City of Oxnard ("City") and the person or entity listed as "(2) Consultant" on the Cover Page, subject to the following terms and conditions:

1. Scope of Services. Consultant shall provide to the City the services listed as "(3) Services" on the Cover Page (the "Services"). Consultant shall provide the Services during the term of this Agreement, as set forth below, according to the schedule written as "(4) Schedule of Services" on the Cover Page, and as further explained in the Scope of Services Exhibit, which is attached hereto and incorporated herein by this reference. In the event of any conflict between the terms of this Agreement and any incorporated document(s), the terms of this Agreement shall control.

2. Standard of Performance. Consultant shall undertake and complete the Services to conclusion using the standard of care, skill and diligence normally provided by a professional person in the performance of similar consulting services.

3. Correction of Errors. Consultant shall correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

4. Term. This Agreement shall begin on the date that is written as "(1) Agreement Start Date" on the Cover Page and shall end on the date that is written as "(5) Agreement Ending Date" on the Cover Page. Time is of the essence in this Agreement.

5. Compensation. For the Services performed during the term of this Agreement, City shall pay Consultant an amount not to exceed the amount that is listed as "(6) Total Agreement Amount" on the Cover Page, at the rates listed in Rates and Costs Exhibit, attached hereto and incorporated herein by this reference. The rates in Rates and Costs Exhibit shall be in effect through the end of this Agreement. Except as otherwise expressly provided in this Agreement, the City shall not be responsible for expenses incurred by the Consultant in performing the Services.

6. Invoices. Consultant shall submit a payment request to the City by the end of each calendar month listing the Services provided, costs of those Services, and total amount due for the month. Each invoice must also list the current balance on the Agreement, including that invoice, as well as the months remaining on the term of the Agreement.

7. Acceptance of Payment. Consultant's acceptance of final payment made pursuant to this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services. City's payment shall not constitute nor be deemed a release of the responsibility and liability of Consultant for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant and its employees, agents and subcontractors. Consultant shall provide the City with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

8. Non-Appropriation of Funds. Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriated sufficient funds and shall automatically terminate at that fiscal year's conclusion.

9. Coordination of Services. The Services shall be coordinated with the person in the position listed in "(7) City's Project Manager" on the Cover Page, subject to the direction of the City Manager and Department Director. Consultant hereby designates the person in the position listed in "(8) Consultant's Project Manager" on the Cover Page as the person responsible for the Services who shall coordinate with City's Project Manager in making binding decisions in line with this Agreement on behalf of Consultant.

10. Personnel. Consultant represents that it has, or shall secure at its own expense, all personnel required to perform the Services. Any person who performs engineering services pursuant to this Agreement shall be licensed as a Civil Engineer by the State of California and in good standing. Consultant shall make reasonable efforts to maintain the continuity of Consultant's staff who are assigned to perform the Services. Consultant may associate with or employ associates or subcontractors in the performance of the Services, but at all times shall Vendor be responsible for its associates and subcontractors' labor, advice or materials provided in furtherance of providing the Services. Should any of Consultant's employees, assigns or subcontractors not conduct him- or herself appropriately, as determined by the City's Project Manager, in the process of providing the Services or any portion thereof, the City's Project Manager may notify the Consultant's Project Manager, who shall immediately handle the problem, as determined appropriate by him or her, such that the problem does not persist.

11. Additional Work. City may request additional specified work under this Agreement. The City's Project Manager must authorize all such work in writing before commencement. Consultant shall perform such work, and City shall pay for such additional work, in accordance with Rates and Costs Exhibit. Should the work not fall under any such listed rate or cost, Consultant shall submit a quote for all additional work, which the City's Project Manager must approve in writing before any such work may commence. The City shall compensate Consultant for any work that does not fall under a rate or cost listed in the Rates and Costs Exhibit, and for which Consultant did not obtain the City's Project Manager's written approval before work commenced, as determined by the City's Project Manager in his or her sole discretion.

12. Audit. City shall have the option of inspecting, auditing and/or reproducing all records and other written materials used by Consultant in preparing its billings to City as a condition precedent to any payment to Consultant. Consultant will promptly furnish all documents requested by City. Additionally, if this Agreement is in excess of $10,000, the State Auditor may examine and audit Consultant for a period of 3 years after final payment under the Agreement. Regardless of whether a State audit is permitted, Consultant shall maintain and preserve all such records for a period of at least 3 years after final payment under the Agreement. Consultant shall include a copy of this Section 12 in all contracts with its subcontractors, and Consultant shall be responsible for immediately obtaining those records or other written material from its subcontractors upon a request by the State Auditor and/or City.

13. Termination. City may terminate this Agreement at any time, with or without cause and without penalty, upon 15 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice. Consultant may terminate this Agreement at any time, with or without cause and without penalty, upon 30 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed before the date of termination. In the event of termination of this Agreement by either party due to no fault or failure of performance by Consultant, City shall pay Consultant compensation for all Services satisfactorily completed in accordance with all of the terms and provisions of this Agreement, as determined by the City, before the effective date of termination; provided, in no event shall the Consultant receive an amount exceeding that which would have been paid to Consultant for the full performance of the Services.

14. Hold Harmless, Defense and Indemnity.

If Consultant provides any architectural, landscape architectural, engineering or land surveying ("design professional") services, to the maximum extent permitted by law, Consultant shall hold harmless, defend, and indemnify City, its legislative and advisory bodies, and the City's officials, directors, officers, employees, and agents (collectively, "Indemnitees") from and against any and all claims, demands, causes of action, damages, injuries, liabilities, losses, penalties, fines, judgments, costs or expenses, including reimbursement of attorneys' fees, court costs and costs of alternative dispute resolution, including but not limited to those relating to death or injury to any person and injury to any property (collectively, "Claims"), to the extent that the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant or of any of its officers, employees, subcontractors or agents in the performance of the Agreement or in the failure to comply with any of the obligations contained in this Agreement. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, to the extent required herein immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if the Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

If Consultant provides no design professional services, to the maximum extent permitted by law, Consultant shall hold harmless, defend and indemnify the Indemnitees from and against any and all Claims, which arise out of, pertain to, or relate to the performance of this Agreement, or the failure to comply with any of the obligations contained in this Agreement, by Consultant or of any of its officials, directors, officers, employees, subcontractors, or agents. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

a. The review, acceptance or approval of Consultant's work or work product by any of the Indemnitees shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section 14 shall survive completion of the Services or termination of this Agreement. The provisions of this Section 14 shall not be restricted by and does not affect the provisions of this Agreement relating to insurance.

15. Insurance. Consultant shall obtain and maintain during the performance of any services under this Agreement the insurance coverages listed within the insurance document stated in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit, which is attached hereto and incorporated herein by this reference, unless the City's Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages. Consultant shall, before performance of any Services, file with the City's Risk Manager evidence of insurance coverage as specified in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit. Maintenance of insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide renewal evidence, and any lapse in insurance coverage, may be considered a material breach of this Agreement.

16. Documents and Materials.

a. All final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data, photographs, specifications, information, images, video files, media, or other deliverables prepared, created, drawn, calculated, photographed or developed by Consultant pursuant to this Agreement ("Documents and Materials") shall be the City's property without restriction or limitation upon its use, duplication or dissemination. All Documents and Materials shall be considered "works made for hire," and all Documents and Materials and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of the City without restriction or limitation upon their use, duplication or dissemination by the City. Consultant shall not obtain or attempt to obtain copyright protection as to any Documents and Materials. Consultant hereby assigns to the City all ownership and any and all intellectual property rights to the Documents and Materials that are not otherwise vested in the City pursuant to this Section 16.

b. Consultant shall deliver all Documents and Materials to City's Project Manager upon completion of the Services or termination of this Agreement without additional cost or expense to the City. Additionally, anytime at City's request, City shall be entitled to possession of, and Consultant shall furnish to City's Project Manager within 10 calendar days, any or all of the Documents and Materials without additional cost or expense to the City. In both situations, if Consultant prepares Documents and Materials on a computer, Consultant shall provide City with said Documents and Materials both in a printed format and in an electronic format that is acceptable to the City. Consultant may retain copies of these Documents and Materials but must request permission from the City before use, duplication or dissemination of these Documents and Materials for any purpose other than for the Services provided to the City pursuant to this Agreement.

c. Any substantive modification of the Documents and Materials by City staff or any use of the completed Documents and Materials for other City projects, or any use of incomplete Documents and Materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant.

d. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Documents and Materials, and that the City has full legal title to and the right to use, duplicate or disseminate the Documents and Materials. Consultant shall defend, indemnify and hold Indemnitees harmless from any loss, claim or liability in any way related to a claim that City's use of any of the Documents and Materials is violating federal, state or local laws, any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the services and Documents and Materials. In the event the use of any of the Documents and Materials by the City is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its own expense, shall: secure for City the right to continue using the Documents and Materials by suspension of any injunction, or by procuring a license or licenses for City; or modify the Documents and Materials so that they become non-infringing while remaining in compliance with the requirements of this Agreement.

e. This Section 16 shall survive the termination of this Agreement.

17. Confidentiality of Information.

a. For the purposes of this Agreement, "Confidential Information" means all information, in whatever form transmitted, relating to the past, present or future business affairs of the City, including without limitation, (i) technical information, including patent, copyright, trade secret, and other proprietary information, techniques, sketches, drawings, models, inventions, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulas; or (ii) non-technical information, including without limitation finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data and any other information belonging to the City or to a third party whose information is in the City's possession or control under obligations of confidentiality, and which is disclosed to Consultant or is developed by Consultant in whole or in part at the City's expense.

b. All Documents and Materials shall be considered Confidential Information and shall not be reproduced, transmitted, disclosed or used by the Consultant without the written consent of the City, except as may be necessary for Consultant to fulfill its obligations to the City.

c. Notwithstanding the above, these limitations shall not apply to information that (i) is already known to Consultant at the time of that information's disclosure or becomes publicly known through no wrongful act or omission of Consultant, (ii) is communicated to a third party with the express written consent of City and is not subject to restrictions on further use or disclosure, (iii) is independently developed by Consultant and has no relation to this Agreement, or (iv) is required by law, court order, court-issued subpoena or other legal process to be disclosed; provided, however, that before making such disclosure, Consultant shall immediately provide City with written notice and a reasonable opportunity for City to object to the disclosure or to take action to maintain the confidentiality of the information, unless such prior disclosure is legally impermissible.

d. Consultant shall use reasonable care to protect the Confidential Information. In the event of a breach or threatened breach of this Agreement, City shall be entitled to obtain an injunction prohibiting any such breach, the costs of which shall be paid by Consultant. Any relief granted shall be in addition to and not in lieu of any other legal or equitable relief, including money damages. The parties acknowledge that Confidential Information is valuable and unique and that disclosure of the Confidential Information in breach of this Agreement may result in irreparable injury to the City.

e. Other than an obligation upon the City to deal in good faith, the City makes no warranties and shall bear no liability or responsibility for errors or omissions in any Confidential Information disclosed under this Agreement or for any business decisions made by Consultant in reliance on any Confidential Information disclosed under this Agreement.

f. This Section 17 shall survive the termination of this Agreement.

18. Independent Contractor. Consultant is and shall at all times remain, as to City, a wholly independent contractor. Neither City nor any of its employees or agents shall have control over the conduct of Consultant or any of its employees, except as stated in this Agreement. Consultant has and shall retain the right to exercise full control over the employment, direction, means of performance, location, compensation and discharge of all persons assisting Consultant, and it is free to dispose of all portions of its time which it is not obligated to devote to City in such a manner and to such persons, firms, or corporations as Consultant wishes except as expressly provided in this Agreement. This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine; provided, however, that performing such services shall not materially interfere with the Services Consultant shall perform for the City. Except as City's Project Manager specifies in writing, Consultant and its employees and agents have no authority, express or implied, to act on behalf of City in any capacity, to incur any debt, obligation or liability on behalf of City, bind City in any manner, or otherwise act on behalf of City as an agent. Consultant and its employees are not employees of the City. Consultant and its employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, and health, life, dental, long-term disability and workers' compensation insurance benefits. Consultant shall not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant agrees to pay all required taxes on amounts paid to Consultant under this Agreement, and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's subcontractors, material suppliers, directors, officers, employees, agents and representatives, including compliance with social security requirements, federal and State income tax withholding, and all other regulations governing employer-employee relations, as applicable. City shall have the right to offset against the amount of any compensation due to Consultant under this Agreement any amount due to City from Consultant as a result of its failure to promptly pay to City any reimbursement or indemnification arising under this Section 18.

19. Nondiscriminatory Employment. Consultant shall not unlawfully discriminate against any individual based on race, color, religion or religious creed, national origin, ancestry, ethnic group identification, primary language, physical disability, mental disability, medical condition, genetic information, marital status, gender, gender identity,

gender expression, sex, sexual orientation, age, immigration status, citizenship or military and veteran status. Consultant understands and agrees that it is bound by and will comply with all legal nondiscrimination mandates. For every subcontractor who will perform Services, Consultant shall be responsible for such subcontractor's compliance with this Section 19.

20. Consultant's Representations. Consultant represents, covenants and guarantees that: a) Consultant is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the Services in accordance with the terms and conditions set forth in this Agreement; b) there are no obligations, commitments, or impediments of any kind that will limit or prevent Consultant's full performance under this Agreement; c) to the extent required by the standard of practice, Consultant has investigated and considered the scope of Services performed, has carefully considered how the Services should be performed, and understands the facilities, difficulties and restrictions attending performance of the Services under this Agreement.

21. Compliance with Laws. In performing the Services under this Agreement, Consultant shall comply with all applicable laws, ordinances and regulations. Before providing any Services under this Agreement, Consultant shall, at its own expense, obtain and maintain all required certificates, licenses and permits, including a City business tax certificate.

22. Conflict of Interest. If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a "governmental decision" as described in Title 2, Section 18701(a)(2) of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement. Furthermore, Consultant shall not to accept any employment or representation during the term of this Agreement or within 12 months after completion of the Services which is or may likely make Consultant "financially interested," as provided in California Government Code Sections 1090 and 87100, in any decisions made by City on any matter in connection with which Consultant has been retained pursuant to this Agreement.

23. Fictitious Name. If Consultant has a fictitious name, Consultant shall submit to the City a new Fictitious Business Name Statement approved by any California county before Consultant's prior Fictitious Business Name Statement expires if such expiration may occur during the term of this Agreement, including any term amendment.

24. Non-Assignability. This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Consultant shall not assign or transfer any interest in this Agreement or any part thereof, whether by assignment or novation, without City's prior written consent, which may be withheld for any reason or for no reason at all. Any purported assignment without written consent shall be null, void, and of no effect, and Consultant shall hold harmless, defend and indemnify Indemnitees from and against all Claims arising from or relating to any unauthorized assignment.

25. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant.

26. Applicable Law; Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Agreement shall be in the Ventura County Superior Court.

27. Titles. The titles used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

28. Force Majeure. Neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include but are not be limited to acts of God, riots, acts of war, epidemics, fire, earthquakes, or other disasters.

29. Authority. Any person executing this Agreement on behalf of Consultant warrants and represents that s/he has the authority to execute this Agreement on behalf of Consultant and to bind it to the performance of these obligations.

30. Binding Agreement. The parties do not intend this Agreement to be binding upon them and shall not be held liable to its terms until it is fully executed by all required signers.

31. Integration; Amendment. This Agreement, including any other documents incorporated herein by specific reference, constitutes the entire and integrated agreement of City and Consultant regarding the subject matter described herein. This Agreement supersedes all prior oral or written communications, negotiations, representations, agreements and promises. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing, signed by both parties, that expressly refers to this Agreement.

32. Construction. In the event of any asserted ambiguity in or dispute regarding the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or who drafted the Agreement in whole or in part.

33. No Waiver. Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default that may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default.

34. Attorneys' Fees. The prevailing party shall be entitled to recover reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney's Office) and expenses, including investigation fees and expert witness fees, in addition to any other relieve to which that party may be entitled, in any legal action or other proceeding, including an action for declaratory relief, for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement.

35. Notice. Except as otherwise required by law, a notice or communication authorized or required by this Agreement shall be in writing and shall be deemed received—on (a) the day of delivery if delivered by hand or overnight courier service during City's regular business hours or (b) the third business day following deposit in the United States mail, postage prepaid—to the addresses listed as "(10) Addresses for Notice" on the Cover Page or at such other address as one party may notify the other in writing.

36. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email to Project Managers' emails listed in "(11) Contact Emails" on the Cover Page or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

37. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date that is written as "(1) Agreement Start Date" on the Cover Page.

CITY OF OXNARD	**Eadie and Payne**
	_______________________ Date Name, Title
☐ Tim Flynn, Mayor	_______________________ Date
☐ Alexander Nguyen, City Manager	_______________________ Date
☐ Dan Willhite, Purchasing Manager	_______________________ Date
☐ Jose Chavez, Purchasing Agent	_______________________ Date

ATTEST:

Michelle Ascension, City	_______________________ Date
Clerk (only if Mayor signs)	_______________________ Date

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney	_______________________ Date

SCOPE OF SERVICES EXHIBIT

- Please refer to Eadie and Payne response to the RFP for a detailed description of the scope of services attached in **Tab D** of **Eadie and Paynes Request for Proposal Response**.

RATES AND COSTS EXHIBIT

Hourly rate detailed by partner, senior manager, manager, field supervisor and other staff.

SERVICE PROPOSAL

Title	Per hour Cost	Title	Per hour Cost
Partner	$ 280	Supervisor	$ 175
Director	$ 250	Senior	$150
Manager	$ 200	Staff	$ 125

City Audit and Related Reports	2019/20	2020/21	2021/22	2022/23	2023/24
State Controller Reports: 1) Cities Financial Transactions Report 2) Special Districts Financial Transactions Report – City of Oxnard Financing Authority 3) Annual Street Report	$11,700	$11,700	$12,100	$12,100	$12,500
Single Audit Report	$16,800	$16,800	$17,300	$17,300	$17,800
CAFR audit	$157,500	$157,500	$161,300	$161,300	$165,200
CAFR preparation	$19,600	$19,600	$20,200	$20,200	$20,800
Measure O Report	$5,000	$5,000	$5,200	$5,200	$5,400
Total for Fiscal Year (not-to-exceed)	$210,600	$210,600	$216,100	$216,100	$221,700

INSURANCE EXHIBIT

Exhibit INS-B

INSURANCE REQUIREMENTS FOR CONSULTANTS (WITHOUT ERRORS AND OMISSIONS REQUIREMENT)

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;

b. Business automobile liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto";

c. Workers' compensation insurance in compliance with the laws of the State of California, and employer's liability insurance in an amount not less than $1,000,000 per claimant. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

2. Consultant shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements affecting coverage required by this Exhibit INS-B. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No.
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-B or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available. CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance coverages **(this must be endorsed)**. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not

affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notes of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-B.doc

Agreement No.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR [x] OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE PRODUCTS-COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXPENSE (Any one person)	$1,000,000 $1,000,000 $1,000,000 $1,000,000 $ $
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$1,000,000 $ $ $
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE	 $1,000,000 $1,000,000 $1,000,000
A	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER	CANCELLATION
CITY OF OXNARD **Attn: Insurance Compliance** **Reference No.________** **P.O. Box 100085 – OX** **Duluth, GA 30096** **Via Email: cityofoxnard@ebix.com** **Via Fax: 678-259-1007**	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

Rev. 4/20 INS-B.doc

SAMPLE

SUBMIT IN DUPLICATE

GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE Included in Limits
In Addition to Limits

Deductible
Self-Insured Retention
(check which) of $
with an Aggregate of $
applies to coverage. Per Occurrence Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
COMMERCIAL GENERAL LIABILITY
COMPREHENSIVE GENERAL LIABILITY
OWNERS & CONTRACTORS PROTECTIVE

Claims Made
Retroactive Date
Occurrence

COVERAGES

COVERAGES	LIABILITY LIMITS IN THOUSANDS $ EACH OCCURRENCE	AGGREGATE
GENERAL		
PRODUCTS/COMPLETED OPERATIONS		
PERSONAL & ADVERTISING INJURY		
FIRE DAMAGE		

OTHER PROVISIONS

Underwriter=s representative for claims pursuant to this insurance.
CLAIMS:
Name:
Address:
Telephone: ( )

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED**. The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED**. As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST**. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE**. With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES**. Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE**. This policy, if primary, affords coverage at least as broad as:

a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or

b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Insurance Compliance
Reference No._______
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

AUTHORIZED REPRESENTATIVE

Broker/Agent Underwriter

I (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature

(original signature required)

Telephone: ( ) Date Signed

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Agreement No.

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.

ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:

Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE Included in Limits
In Addition to Limits

Deductible Self-Insured Retention (check which) of $
with an Aggregate of $ applies to
coverage. Per Occurrence Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

COMMERCIAL AUTO POLICY
BUSINESS AUTO POLICY
OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name:

Address:

Telephone: ( )

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED**. The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED**. As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST**. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE**. With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES**. Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE**. This policy, if primary, affords coverage at least as broad as:

a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or

b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Insurance Compliance
Reference No.________
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email:
cityofoxnard@ebix.com
Via Fax: 678-259-1007

AUTHORIZED REPRESENTATIVE

Broker/Agent Underwriter

I (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature

(original signature required)

Telephone: ( ) Date Signed

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Eadie and Paynes Request for Proposal Response

City of OXNARD

"The City that Cares"

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
SOLICITATION # FN20-51

CITY OF Oxnard "The City That Cares" CALIFORNIA

Celebrating a Century of Quality Service
ep LLP
EADIE + PAYNE
EadiePayneLLP.com

Entrepreneurship Tax Consulting Attest
1919 100 2019 Years

FEBRUARY 24, 2020

TABLE OF CONTENTS

TAB A - PROPOSAL CHECKLIST

Tab A – Proposal Checklist

Instructions:

a) This section must be filled in and each item checked off to ensure all items requested by the City in this solicitation have been submitted.

b) Follow the instructions in each section of this solicitation.

c) Present all requested items in the index tabs ordered A through G as shown.

d) Label each item presented and include additional items on your table of contents.

e) All proposals must include a detailed description of each proposed service to be provided.

f) Proposers that do not follow the bid instructions found in the separate document titled "**Terms and Conditions"** may be found to be "non-responsive" and disqualified from the bid process.

Name of Company: Eadie and Payne, LLP

Service to provide: Professional Auditing Services

Main Point of Contact: Hong N. Nguyen

E-mail: hnguyen@eadiepaynellp.com

Direct Phone: 951-241-7804

Cell Phone: 909-809-9061

Tab A Proposal Submission Checklist

General Proposer Information
Please provide one copy of the following items in your proposal. Indicate the page number where the item is located.

Page Number

CERTIFICATION

I, the undersigned, certify and declare I have read and know the contents of the proposal the proposer listed below is submitting to the City of Oxnard ("City"). I certify under penalty of perjury that the preparer(s) of this proposal has/have provided only complete and truthful information to the City in this proposal. I understand that any misrepresentations or material omissions within this proposal will be grounds for potentially disqualifying the proposer or not awarding the contract to the proposer. Additionally, any misrepresentations or material omissions within this proposal are considered breaches of the contract (should the proposer be awarded that contract); the City shall have the right to terminate the contract immediately without consequences, and the City retains all other legal rights available to the City for breach of contract.

I, the undersigned, hereby give permission to the City and its employees and agents to contact references—including those references' officials, employees, and agents (collectively, "References")—of the proposer and its officers, managers, members, general partners, limited partners, or other owners of at least ten percent (10%) of the business, or if the business is a corporation or s-corporation, of its stock (collectively, "Owners"), and request information from other clients—including those clients' officials, employees and agents (collectively, "Other Clients"). I further give permission for the City to review any criminal records of the Owners and obtain public records regarding the Owners, such as records of arrests, indictments, convictions, civil judicial actions, tax liens, and outstanding judgments. I have authority to waive, and I do waive, any and all rights and claims by the proposer, the Owners, and all of their heirs and assigns against the City and its officials, employees and agents, the References, and the Other Clients regarding any actions taken pursuant to, related to or incidental to, the authorization given in this paragraph. Furthermore, I agree that the City and its officers, employees and agents may but have no obligation to share any such information.

City of Oxnard
Purchasing Division, Finance Department

Solicitation # FN20-51
Bid Close Date: 02/24/2020 on or before 2:00 PM PT.

I am executing this proposal on behalf of the proposer. I warrant and represent under penalty of perjury that I have the authority to execute this proposal on behalf of the proposer and I have the authority to bind the proposer to the answers provided in this proposal. If any information provided herein becomes inaccurate, I will immediately notify the City and provide updated accurate information in writing, under penalty of perjury.

CERTIFICATIONS

I, Hong N. Nguyen, a duly authorized agent of Eadie and Payne, LLP
Printed Name of Agent/Officer **Name of Organization**

hereby certify that Eadie and Payne, LLP by submission of this proposal in response to the
Name of Organization

solicitation, agree upon contract award to carry out the requirements specified and obligations set forth therein.

Signature: Date: February 24, 2020

Title of Agent/Officer: Partner-In-Charge of Municipal Services

Execution hereof is certification that the undersigned has read and understands the terms and conditions hereof, and that the undersigned's principal is fully bound and committed.

TAB B - ACKNOWLEDGMENT

Tab B - Acknowledgement

1. **Clarifications, Exceptions, or Deviations**

All Proposer(s) shall describe any exception or deviation from the requirements of the solicitation. Each clarification, exception, or deviation must be clearly identified. If your company/firm/sole proprietorship has no clarifications, exceptions, or deviations, a statement to that effect shall be included in this section. The sample service agreement is a separate attachment discussed in the solicitation labeled "Sample Agreement" and "Proposer Terms and Conditions" document located on the Public Purchase website and incorporated herein by this reference.

The following contractual terms are **non-negotiable:**

a. Termination

b. Indemnification

c. Insurance

d. Conflict of Interest

e. Governing Law

f. Assignability of Agreement

Do you have any other exceptions/deviations? If so, please identify the exception and provide an explanation:

PROPOSER'S RESPONSE: *Located in "Attachment G-1"*

2. **Evidence of Insurability/Business Licenses**

All Proposer(s) shall submit evidence of all required insurance. If awarded the contract the Proposer has ten (10) calendar days to produce the required insurances, including a certified endorsement naming the City as additionally insured. The Proposer shall certify to the possession of any and all current required licenses or certifications. Proposer must provide a copy of current business license or other applicable licenses.

3. **Transition (If applicable)**

Upon expiration or termination of this agreement for any reason, during the transition close-out period the company/firm/contractor agrees to:

a. Continue delivering services until notified otherwise; and
b. Assist the City in the orderly transition and transfer of all collaborations and committees to the City and the subsequent company/firm/contractor; and
c. Provide, in a timely manner, all file and information deemed necessary by the City for use in subsequent contracting activities without additional cost to the City or the new

company/firm/contractor, upon termination or expiration of this agreement for any reason; and

d. Cooperate with the City during a transition close-out period to ensure orderly and seamless delivery of services to the City.

Addendum No. 1
Professional Auditing Services
February 11, 2020

CERTIFICATION OF RECEIPT OF ADDENDUM

I certify that I have received this Addendum on behalf of the company listed below.

Signed: Dated: 2/12/2020

Print Name: Hong N. Nguyen Title: Partner-In-Charge of Municipal Services

Company: Eadie and Payne, LLP

Email: hnguyen@eadiepaynellp.com

TAB C - COMPANY PROFILE/EXPERIENCE

Tab C - Company Profile/Experience

This section of the proposal is designed to establish the proposer as an entity with the ability and experience to operate the program as specified in the solicitation. The company profile should be concise and clear, including descriptive information regarding service delivery. The following information must be provided as follows:

1. Business name and legal business status (i.e. partnership, corporation, etc.).

   PROPOSER'S RESPONSE: *Eadie and Payne, LLP*

2. Company overview and disclosure of services or activities performed, including:

   a. The City of Oxnard is a public agency with a City Council composed of elected officials. The elected officials are restricted from voting on any action concerning a contract whose owners have made a campaign contribution of $250 or more in the previous 12 months. To assist them in their decision making process, please indicate the owners of the company and if any contributions were made to any Oxnard elected officials.
   b. Company hierarchy (President, Vice President, Company Officers, etc.) and an organizational chart. The organizational chart shall clearly identify all staff members that will provide services under this contract.
   c. The number of years in business under the present business name, as well as prior business names, and the number of years of experience providing the proposed, equivalent or related services for municipalities/government audit services.
   d. The respondent should state the size of the firm, the size of the firm's governmental audit staff, and the location of the office from which the work on this engagement is to be performed.
   e. The respondent is also required to submit a copy of the report on its most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements.

   a. ***PROPOSER'S RESPONSE:*** *None*

   b. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-2 & G-3 "*

   c. ***PROPOSER'S RESPONSE:*** *Eadie and Payne, LLP, formerly Fuller, Eadie, and Payne, celebrated a century of service in 2019. Our firm has been in business under its present business name for 67 years. We have assisted some of the most financially challenged cities in the State of California for more than a decade and have a proven track record in serving local government agencies for more than 40 years.*

   d. ***PROPOSER'S RESPONSE:*** *Our office is in Riverside, California, and our professional services team includes approximately 30 professionals and 13 client service executives. Our governmental audit team consists of 17 professionals and 8 client service executives*

e. ***PROPOSER'S RESPONSE:*** *Located in "Attachment G-4"*

3. Partner, Supervisory, and Staff Qualifications and Experience:

a) Identify the principal supervisory and management staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement. Indicate whether such person is registered or licensed to practice as a certified public accountant in California.

BIDDER'S RESPONSE: *Located in "Attachment G-3"*

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

BIDDER'S RESPONSE: *Located in "Attachment G-5 "*

c) Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Oxnard. However, in either case, the City retains the right to approve or reject replacements. Every effort should be made to ensure continuity of audit personnel and allow for a smoother audit process during the term of the engagement.

BIDDER'S RESPONSE: *We acknowledge that if there are any significant changes we will notify the City for approval.*

4. An explanation of any litigation involving the Bidder or any principal officers thereof in connection with any contract. Is your firm, or the principals associated with your firm, under investigation, being sued, suing, or affiliated in any lawsuit or alternative dispute resolution with any governmental agency? If so, please provide details. In addition, the respondent shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

PROPOSER'S RESPONSE: *None.*

5. List the members of your organization who are authorized to negotiate the agreement.

PROPOSER'S RESPONSE: *Donald N. Ecker, Hong N. Nguyen, Eden C. Casareno*

6. **Credentials/Resumes/Certifications/Licenses:**

This section shall state all employees/subcontractors responsible for administering or providing services. Provide a summary list of the organizational personnel that will actively participate and contribute their skills to this project. Include in this list the individual's name, job title, work location and relevant experience in projects of similar size and complexity. (Responses may be one page per individual.)

Proposer shall specifically provide the following information on all employees to be providing services related to this solicitation:

a. Position Title
b. Current Responsibilities
c. Qualifications/Experiences
d. Education
e. Certifications/licenses, if applicable
f. List other pertinent information that will assist in evaluating Proposer's qualifications

a. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

b. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

c. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

d. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

e. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

f. ***PROPOSER'S RESPONSE:*** *Located in "Attachments G-3 & G-5"*

Proposer can add as many sections to this response box as it needs to state all employees providing services.

TAB D - SCOPE OF SERVICES

Tab D - Scope of Services

This solicitation has a space provided under each question the City has of the Proposer. This solicitation is available for electronic download at www.publicpurchase.com.

The City desires a Comprehensive Annual Financial Report (CAFR) and its component unit financial statements for the City of Oxnard to be prepared by the independent auditor and be fully compliant with GAAP for the fiscal year ended June 30, 2020 and each of the subsequent fiscal years through 2024 of the audit firm's contract with the City.

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor is to express an opinion on the fair presentation of the combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the CAFR. However, the auditor is to provide an "in-relation to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section or the statistical section of the report.

The auditor 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, as well as certain limited procedures for the Measure O fund as required by City ordinance.

1. The selected independent auditor will be required to perform the following tasks:

a. The audit firm will perform an audit of all funds of the City of Oxnard. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller of the United States. The audit will be in full compliance with GASB 34. The audit firm will render their audit report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the City.

b. The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the Mayor and City Council.

c. The audit firm shall prepare the Annual State Controller's Report for the City, the City's Annual Street Report and the Single Audit Report. The auditor should clearly take all the above into account when preparing the proposal.

2. Reports to be Issued

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

a. A report on the fair presentation of the City's financial statements in conformity with generally accepted accounting principles.

b. A report on Measure O fund.

c. A report on compliance of the annual calculation of the City's appropriation limit.

d. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

e. A report on compliance with applicable laws and regulations.

f. Findings and recommendations for improvements in the systems of internal control.

g. Findings and recommendations for improvements in accounting systems.

h. Findings of non-compliance with laws, rules, and regulations.

i. Any other material items coming to the attention of the auditor during the course of the examination.

j. Preparation of the State Controller's reports for the City.

k. Internal Control Reports. The internal control report shall communicate in writing to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The internal control report shall also include:

   1. Reportable conditions that are also material weaknesses shall be identified as such in the reports.

   2. Non-reportable conditions that are also material weaknesses shall be identified as such in the reports.

   3. The reports on compliance shall include all instances of noncompliance.

   4. Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to both the City Manager and the Chief Finance Officer.

l. Reports to the City Council. The auditor shall inform the City Council of the following:
   1. The auditor's responsibility under generally accepted auditing standards
   2. Significant accounting policies
   3. Management judgments and accounting estimates
   4. Significant audit adjustments
   5. Other information in documents containing audited financial statements
   6. Disagreements with management
   7. Management consultation with other accountants
   8. Difficulties encountered in performing the audit

3. Special Considerations

The City intends to send its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association and California Society of Municipal Finance Officers for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City to meet the requirements of that program.

The City intends to structure the contract so that the City has the option as to whether the auditor or City Staff would prepare the CAFR. The auditor shall be required to prepare the CAFR if the City elects that option. The cost of said preparation of the CAFR shall be an expense of the City.

4. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the City. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

5. Management Letters

The auditor shall present samples for the City.

6. Schedule for the 2019-20 Fiscal Year Audit

The auditor should complete each of the following no later than the dates indicated.

Preliminary Field Work to Begin	**May 2020**
Auditor Provides List of Schedules to be Completed	**June 2020**
Year End Field Work Begins	**October 2020**
Year End Field Work to be Completed	**October 2020**
Draft Audit Report and Recommendations Completed by Auditor	**November 2020**
Draft Audit Reports Returned to Auditor	**November 2020**
Revised Draft Auditor's Report Delivered to City	**December 2020**
Final Audit Reports and Management Letter Submitted to City On or before	**December 30, 2020**
Audits Presented to City Council for Acceptance	**January – February 2021**

7. Date Final Report is Due

a. The CFO will complete the review of the draft report as expeditiously as possible. During that period, 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 final signed report shall be delivered to the City within ten (10) working days. It is anticipated that this process will be completed and the final reports delivered by December 30, 2020.

b. 30 signed copies of the City's Comprehensive Annual Financial Report (CAFR) are to be delivered.

8. Assistance to be Provided to the Auditor

Finance Department and Clerical Assistance

a. The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. City staff performs a variety of closing procedures during July and August, and they prepare a number of schedules in preparation for the year-end audit. The Auditor is expected to make use of this work product in preparing for the audit. A copy of the product list and pertinent work papers from the prior year will be made available for review to the selected firm. Any schedules not provided in those work papers and required for the audit, should be detailed and the request list submitted well in advance of fieldwork commencing.

b. Consideration must be given to the on-going tasks of the Finance Department. Consideration must also be given to the work schedules of the Finance Department staff and responsible management personnel. The auditor shall provide the City with a detailed audit plan and a list of all schedules to be prepared for both interim and year-end audit work. The City's normal hours of operation are Monday through Friday from 8:00 a.m. to 6:00 p.m. with the exception of every other Friday when the offices are closed.

Bidders must address all points in this section. All questions are in italicized font in the box.

<u>Summary of Services</u>

1. Transmittal Letter

General introduction briefly stating the respondent's understanding of the audit services to be performed; a positive commitment to perform the service within the time period(s) specified; the name(s) of the person(s) authorized to represent the respondent, title, address, and telephone number.

BIDDER'S RESPONSE: *Located in "Attachment G-6"*

2. Detailed Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competency, and capacity of the firms seeking to undertake an independent audit of the City of Oxnard in conformity with the requirements of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The *Technical Proposal* should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement.

The *Technical Proposal* should address all the points outlined in the solicitation. The proposal should be prepared simply and economically, providing a straightforward, concise description of the respondent's capabilities to satisfy the requirements of the Request for Proposal. While additional data may be presented, the areas detailed below must be included.

BIDDER'S RESPONSE: *Located in "Attachment G-7"*

3. Provide a summary of the audit approach that will meet the Request for Proposal requirements your company will commit to ensure successful project completion.

BIDDER'S RESPONSE: *Located in "Attachment G-8"*

4. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California and that each of the assigned staff have satisfied the educational requirements as they apply to municipal audit engagements.

BIDDER'S RESPONSE: *Eadie and Payne, LLP, is licensed to practice as a certified public accounting firm in the State of California, license number 411 (originally issued in 1953). All Eadie and Payne, LLP's partners and key engagement team members are properly licensed to practice in California and that each of the assigned staff have satisfied the educational requirements as they apply to municipal audit engagements.*


STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

Renewal Certificate

CALIFORNIA BOARD OF ACCOUNTANCY
2450 VENTURE OAKS WAY, SUITE 300
SACRAMENTO, CA 95833
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3672

CERTIFIED PUBLIC ACCOUNTANT PARTNERSHIP

REGISTRATION PAR 411
RECEIPT NO. 90560197

VALID UNTIL APRIL 30, 2021

EADIE AND PAYNE LLP
3880 LEMON STREET STE 300
RIVERSIDE CA 92501

In accordance with the provisions of Chapter 1, Division 3 of the Business and Professions Code, the firm named hereon is duly registered and entitled to practice as a Partnership.

02/27/19
02/27/19

----- POST IN PUBLIC VIEW -----

WASPAR 04/12/17

5. Independence

The firm should provide an affirmative statement that it is independent of the City of Oxnard as defined by generally accepted auditing standards in the United States, and that the firm has a process in place to ensure compliance with those requirements. The firm shall make an affirmative statement that they do not have any business interests which would conflict in any way with maintaining independence in regards to the City of Oxnard or any of its component units.

BIDDER'S RESPONSE: *Eadie and Payne, LLP is independent of the City of Oxnard as defined by generally accepted auditing standards in the United States, and has a process in place to ensure compliance with those requirements. We do not have any business interests which would conflict in any way with maintaining independence in regards to the City of Oxnard or any of its component units.*

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as the City of Oxnard's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Proposers will be required to provide the following information on the audit approach:

a) Proposed segmentation of the engagement

BIDDER'S RESPONSE: *Located in "Attachment G-9"*

b) Level of staff and number of hours to be assigned to each proposed segment of the engagement

BIDDER'S RESPONSE: *Located in "Attachment G-10"*

c) Sample size and the extent of which statistical sampling is to be used in the engagement

BIDDER'S RESPONSE: *Located in "Attachment G-11"*

d) Extent of use of software in the engagement, including auditing software as well as CAFR preparation software

BIDDER'S RESPONSE: *Located in "Attachment G-12"*

e) Type and extent of analytical procedures to be used in the engagement

BIDDER'S RESPONSE: *Located in "Attachment G-13"*

f) Approach to be taken to gain or document an understanding of the City of Oxnard' internal control structure.

BIDDER'S RESPONSE: *Located in "Attachment G-14"*

g) Approach to be taken in determining laws and regulations that will be subject to audit test work

BIDDER'S RESPONSE: *Located in "Attachment G-15"*

h) Approach to be taken in drawing audit samples for purposes of test of compliance

BIDDER'S RESPONSE: *Located in "Attachment G-16"*

7. Identification of Anticipated Potential Audit Problems

The respondent should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

BIDDER'S RESPONSE: *Located in "Attachment G-17"*

8. Identification of Computer Software:

Please provide a list of software used by your audit firm during the audit process and to prepare the financial statements.

BIDDER'S RESPONSE: *Located in "Attachment G-12"*

TAB E - REFERENCES

Tab E - References

Similar Engagements with Other Government Entities & References: Please provide a list of all California Cities and Special Districts for which you have provided contract (auditing) services in the last five years. Also, provide a minimum of three references from California cities currently under contract, including detailed information of the type and length of engagement and a contact person authorized for verification by a City of Oxnard representative regarding the engagement with your Firm.

Reference 1	
Company name:	City of Compton
Address:	205 S Willowbrook Ave, Compton, CA 90220
Contact person:	Craig Cornwell, City Manager
Email address:	ccornwell@comptoncity.org
Telephone address:	(310) 605-5065
Project name:	Professional Auditing Services FYE 6/30/2014-2020
Dates worked performed:	2018 – 2020
Summary of scope of services:	Financial audits; single audits; preparation of financial statements; assistance with GASB 68 & 75; assistance with corrective action plan; (217 findings) filing of SCO financial transactions report; and other special procedures.
Project cost:	$2,000,000 +

Reference 2	
Company name:	City of Riverside
Address:	3900 Main St, Riverside, CA 92522
Contact person:	Carlie Myers, Deputy City Manager
Email address:	cmyers@riversideca.gov
Telephone address:	(951) 826-5553
Project name:	Riverside Public Utilities, and Water and Electric Fund Analysis
Dates worked performed:	2019-2020
Summary of scope of services:	Analysis of Riverside Public Utilities-Water and Electric Funds revenues, expenditures, fund balances, and reserves over the period of 6 ½ years.
Project cost:	$60,000

Reference 3	
Company name:	City of Stockton
Address:	425 North El Dorado Street, Stockton, CA 95202
Contact person:	Kerrie Biddle, Accounting Manager
Email address:	kerrie.biddle@stocktonca.gov
Telephone address:	(209) 937-5435
Project name:	Measure A & B Agreed-Upon Procedures FYE 6/30/2015-2019
Dates worked performed:	2015-2020
Summary of scope of services:	Agreed-upon procedures relating to the revenues and expenditures of City of Stockton special sales tax Measures A & B.
Project cost:	$146,000

Reference 4	
Company name:	City of Huntington Park
Address:	6550 Miles Avenue, Huntington Park, CA 90255
Contact person:	Nita McKay, Director of Finance & Administrative Services
Email address:	nmckay@hpca.gov
Telephone address:	(323) 584-6201
Project name:	Professional Auditing Services FYE 6/30/2019-2023
Dates worked performed:	2019-2020
Summary of scope of services:	Financial and single audits, preparation of financial statements, and assistance with GASB 68 and GASB 75.
Project cost:	$375,000

Provide details of any failure or refusal to complete a contract. If none, that must be stated.

PROPOSER'S RESPONSE: *None*

TAB F - COST PROPOSAL / BUDGET NARRATIVE

Tab F - Cost Proposal/Budget Narrative

In this section, please complete and include this Cost Proposal. Cost Proposals will be disclosed to the evaluators after the evaluation of the technical proposals has been completed. The City reserves the right to negotiate final fees with the selected Contractor(s). Proposals must fully describe all costs of charges to the City as part of this service/project. As stated in the Cost Proposal, Proposers must provide fully inclusive blended rates, which are all-encompassing of the Proposer's project-related or supported expenses, including travel expenses. Proposers may also include any other documents as information to further explain the proposed costs.

Method of payment. Payment by the City for the services will be made only after the services have been performed and an invoice is submitted. The invoice should specifically describe the services performed, the name(s) of the personnel performing such services, hours provided for the service at the hourly rate quoted in this proposal. The appropriate City representative must approve the invoice. The City will make payment on a monthly basis, thirty (30) days after receipt of the invoice.

Hourly rate detailed by partner, senior manager, manager, field supervisor and other staff.

SERVICE PROPOSAL

Title	Per hour Cost	Title	Per hour Cost
Partner	$ 280	Supervisor	$ 175
Director	$ 250	Senior	$150
Manager	$ 200	Staff	$ 125

City Audit and Related Reports	2019/20	2020/21	2021/22	2022/23	2023/24
State Controller Reports: 1) Cities Financial Transactions Report 2) Special Districts Financial Transactions Report – City of Oxnard Financing Authority 3) Annual Street Report	$11,700	$11,700	$12,100	$12,100	$12,500
Single Audit Report	$16,800	$16,800	$17,300	$17,300	$17,800
CAFR audit	$157,500	$157,500	$161,300	$161,300	$165,200
CAFR preparation	$19,600	$19,600	$20,200	$20,200	$20,800
Measure O Report	$5,000	$5,000	$5,200	$5,200	$5,400
Total for Fiscal Year (not-to-exceed)	$210,600	$210,600	$216,100	$216,100	$221,700

TAB G - PROPOSER ATTACHMENT

List all attachments included in this Section. Please use additional pages to list attachments if necessary.

Attachment Number	Document Title	Page Number
Attachment G-1	Clarifications, Exceptions, or Deviations	21
Attachment G-2	Company Hierarchy	22
Attachment G-3	Organizational Chart	23
Attachment G-4	External Quality Control (Peer) Review	24
Attachment G-5	Resumes	26
Attachment G-6	Transmittal Letter	36
Attachment G-7	Detailed Technical Proposal	38
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Attachment G-10	Level of Staff and Number of Hours	47
Attachment G-11	Statistical Sampling	48
Attachment G-12	Software	49
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Attachment G-14	Understanding Internal Control Structure	52
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Attachment G-16	Audit Sampling for Purposes of Test of Compliance	54
Attachment G-17	Anticipated Potential Audit Problems	55

CLARIFICATIONS, EXCEPTIONS, OR DEVIATIONS

Auditing standards generally accepted in the United States issued by the AICPA (AU-C Section 230) require auditors to prepare audit documentation (audit workpapers) that provides evidence of the basis for the auditor's opinion. AU-C Section 230.06 states that audit documentation consists of the record of audit procedures performed, audit evidence obtained, auditor actions and conclusions. Per AU-C Section 230.A29, "Audit documentation is the property of the auditor. The auditor may make available to the entity at the auditor's discretion copies of the audit documentation, provided such disclosure does not undermine the effectiveness and integrity of the audit process." Auditors are required to retain and not delete or discard audit workpapers before the end of the specified retention period (AU-C Section 230.17). The firm implements reasonable procedures to maintain the confidentiality of client information.

To comply with the above, we request consideration of the following revisions to the City's Professional Services Agreement:

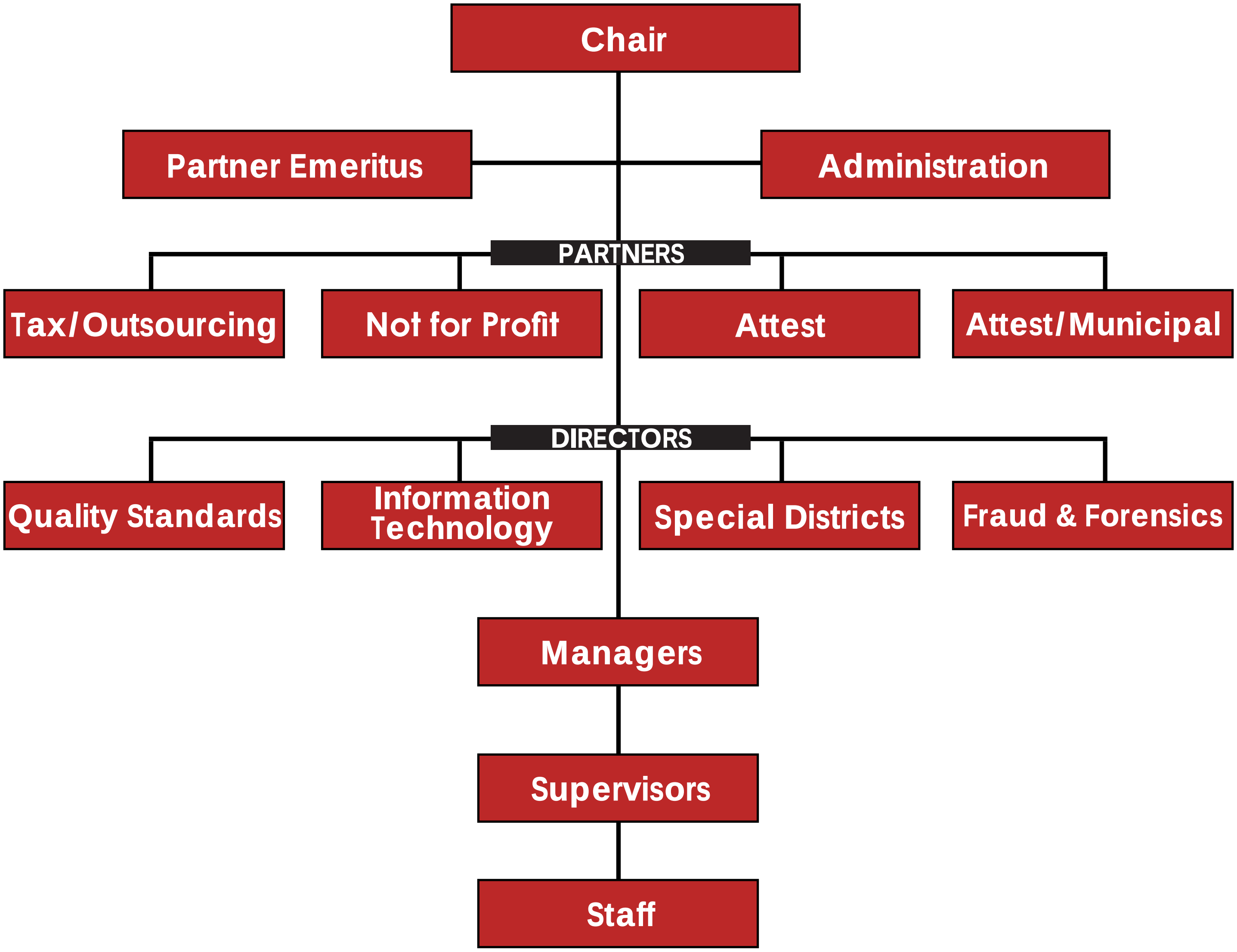
Section 18. Documents and Materials

Paragraph a. All final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data, photographs, specifications, information, images, video files, media, or other deliverables prepared, created, drawn, calculated, photographed or developed by Consultant pursuant to this Agreement, **with the exception of audit workpapers** ("Documents and Materials") shall be the City's property without restriction or limitation upon its use, duplication or dissemination. All Documents and Materials shall be considered "works made for hire," and all Documents and Materials and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of the City without restriction or limitation upon their use, duplication or dissemination by the City. Consultant shall not obtain or attempt to obtain copyright protection as to any Documents and Materials. Consultant hereby assigns to the City all ownership and any and all intellectual property rights to the Documents and Materials that are not otherwise vested in the City pursuant to this Section 18.

Section 19. Confidentiality of Information

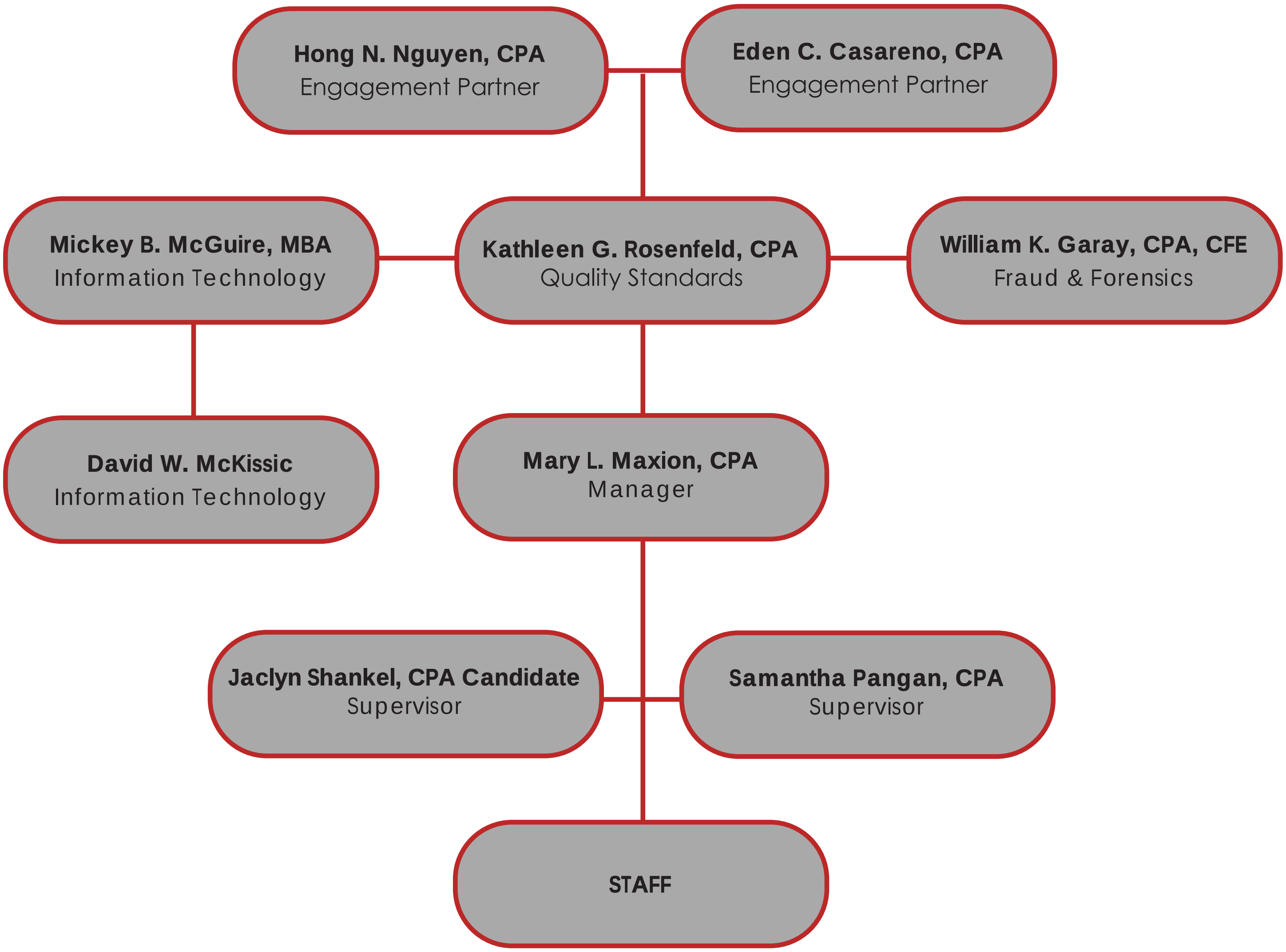
Paragraph j. All confidential information shall remain the property of City, **with the exception of information contained in audit workpapers**. Following Consultant's completion of the Services, Consultant shall promptly destroy all such confidential information in its possession or control, **with the exception of information contained in audit workpapers**, and certify such destruction to City in a writing signed by an authorized representative.

COMPANY HIERARCHY



ORGANIZATIONAL CHART

Donald N. Ecker, chairman, and Eden C. Casareno, partner-in-charge of attest services, handpicked the following professionals to serve the City of Oxnard.



EXTERNAL QUALITY CONTROL (PEER) REVIEW

Our peer review letter dated July 24, 2019 expressed an opinion that the system for quality control for the auditing practice of Eadie and Payne, LLP met the objectives established by the AICPA. The quality control review included a review of specific government engagements performed under Government Auditing Standards and the Single Audit Act. Eadie and Payne, LLP has not been the subject of any current or past investigations by the California State Board of Accountancy or any other state agency or investigating authority over the past three (3) years.

McGowan Guntermann
A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

111 E. Victoria Street 2nd Floor, Santa Barbara, CA 93101, (805) 962-9175, Fax: 1 (805) 880-0350, www.mcgowan.com

Report on the Firm's System of Quality Control

July 24, 2019

To the Partners of Eadie & Payne, LLP
and the Peer Review Committee of California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP (the firm) in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Eadie & Payne, LLP has received a peer review rating of pass.

McGowan Guntermann

McGowan Guntermann

EXTERNAL QUALITY CONTROL (PEER) REVIEW

CalCPA
Peer Review Program

1710 Gilbreth Road
Burlingame, CA 94010
(650) 522-3094
Fax: (650) 522-3080
peerreview@calcpa.org

January 03, 2020

Donald Ecker
Eadie & Payne, LLP
3880 LEMON ST STE 300
RIVERSIDE, CA 92501-3301

Dear Donald Ecker:

It is my pleasure to notify you that on December 17, 2019, the California Peer Review Committee accepted the report on the most recent System Reviewof your firm. The due date for your next review is October 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Peer Review Committee

Peer Review Program
The Peer Review Program Team
peerreview@calcpa.org
650-522-3094

California Society of CPAs

cc: Chrisley Reed, Eden Casareno

Firm Number: 900010018432 Review Number: 569083

AICPA Peer Review Program
Administered by the California Society of CPAs for CA, AK and AZ

DONALD N. ECKER

Chairman & CEO

decker@ceos2.com | Office 951.241.7803

"Your team has been a pleasure to work with. Thank you for your unfailing pragmatism, expertise, and joviality the entire way. Thank you all for a job well done!"
-Aja Brown, Mayor, City of Compton

Chairman & CEO

EDUCATION

BS Degree in Business Administration, emphasis in Business, from California Polytechnic University, Pomona

Executive MBA from Northwestern University, Kellogg School of Management

Young Presidents University Programs: Stanford, Buckhead - Georgia, Chicago, Monterey, Newport, Greece, Sweden, Taiwan, New Zealand, Colorado Springs, and Australia

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

COMMUNITY ORGANIZATIONS

Greater Riverside Chamber of Commerce
Past Chairman
Citizen of the Year
Business of the Year
Volunteer of the Year
UC Riverside Board of Trustees-28 Years
Monday Morning Group-Past Chairman, 30 years
Founding member of Security Bank of California
Co-Chair Measure A
Has participated in raising $100M for Charities throughout the Inland Empire
United Way of the Inland Valleys, Past Chairman

Licensed by the State of California (Inactive)
Years of Experience: 50

SUMMARY

Mr. Ecker has lead Eadie + Payne since 2015 assuring that our client commitments are honored, while facilitating increased transparency in the communication of financial operations with boards, city councils, top management, and stakeholders. He assists our clients with reframing their perspective on risk and strategy and is responsible for ensuring that our clients obtain the maximum value from E+P's services.

Mr. Ecker is a true entrepreneur having founded various businesses in three distinctly different sectors.

Mr. Ecker is a Retired Senior and Managing Partner/Practice Leader of EY, a global professional services firm, including Managing Partner of the Riverside Office. During his 20 plus year career he co-founded the Capital Markets Group for the firm and headed Entrepreneurial Services, Southern California, that had approximately 350 people. He played a key role in transportation dating back to Measure A in 1988 as well as Measure AA in 1992. He also led the bond analysis of RCTC Toll Road original 1st placement. He participated in P3 discussions between the California Private Transportation Company, Orange County Measure M, and Riverside County from 1988-1993. He was part of the team that successfully negotiated the partnership between OCTA and RCTC.

He founded CEO Strategic Solutions, LLC to work with CEOs in clarifying their mission and giving objective solutions for business success. He served on two public boards; having qualified as a "financial expert" for SEC reporting, and chaired both audit committees.

He has earned a trusted relationship with the State Controller's Office dating back to 2016.

Mr. Ecker's career in the public sector includes:

- City of Compton
- City of Huntington Park
- City of Oxnard
- City of Riverside (agreed-upon procedures)
- City of Stockton (agreed-upon procedures)
- County of Orange - post bankruptcy
- County of Riverside Grant Services
- County of Riverside
- County of San Bernardino - Various Projects
- Mission Inn, City of Riverside Transaction
- Riverside County Transportation Commission - AUP
- San Bernardino County Special Districts

Private Sector Includes:

- Baker's Burgers
- Guthy Renker
- Press Enterprise (Belo)
- Stater Bros.
- Yeager Construction (Skanska)

RECENT RELEVANT CPE:

Lead CalCPA 2019 System Review of firm
E+P The Firm's System of Quality Control: 2019
CSMFO Annual Conference: 2018
CSMFO Panel, Case in Point: Restoring Fiscal Credibility to your City: 2018

Ms. Nguyen strives for continual improvement and embraces being a positive resource to her clients.

HONG N. NGUYEN, CPA

Engagement Partner

hnguyen@eadiepaynellp.com | 951.241.7804

Partner-In-Charge of Municipal Services

EDUCATION

BS Degree in Business Administration, emphasis in Accounting, University of California, Riverside

Brainard Strategy Leadership Academy graduate September 2018

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers

COMMUNITY ORGANIZATIONS

Salvation Army San Bernardino, board member

UCR School of Business - Dean's Advisory Council Member

Licensed by the State of California
Years of Experience: 12

SUMMARY

Ms. Nguyen joined Eadie + Payne in 2008 and was promoted to partner in 2018. Ms. Nguyen possesses a comprehensive understanding of governmental auditing standards and an ability to apply technical accounting and auditing knowledge to real-life situations of the clients she serves. She demonstrates professional judgment, makes sound decisions, and possesses strong project management and interpersonal skills.

She has been the Executive on numerous initial audit engagements and excels in gaining a thorough understanding of the entity's operations and procedures. She values integrity and continued improvement and empowering finance departments through assisting them in presenting sound financial statements.

Ms. Nguyen's governmental clients served include:

- Big Bear Municipal Water District
- City of Compton
- City of Industry
- City of Huntington Park
- City of Montebello
- City of Oxnard
- City of Pomona Redevelopment Agency
- City of San Fernando Redevelopment Agency
- City of Stockton
- County of San Bernardino
- Hesperia Recreation and Park District
- Inland Valley Development Agency
- Law Library for San Bernardino County
- San Bernardino County Special Districts
- San Bernardino Valley Water Conservation District

In most recent years, Ms. Nguyen assisted clients with some highly unique and complex compliance and financial reporting challenges. Her ability to analyze large quantities of financial data, internal controls, and accounting systems is what makes her valuable to our clients and the firm. She works closely with members of governance, management, and finance staff to provide solutions and to communicate relevant financial information.

She also serves as a technical standards review partner, serving as a second set of eyes to ensure that the financial statements are presented in accordance with appropriate accounting pronouncements.

RECENT RELEVANT CPE:

AICPA Government Audit Quality Center Update: 2020, 2019, 2018
Effective HUD Compliance Audits: 2019
CSMFO Annual Conference 2020: Financial Leadership (In Difficult Situations)
CSMFO Annual Conference 2020: Purposeful Positioning for Positive Debt Issuance Results
CSMFO Annual Conference 2020: Why Every Local Government Needs a Long-Term Financial Plan
CSMFO Conference: 2020, 2019, 2018
CSMFO Panel, Case in Point: Restoring Fiscal Credibility to Your City: 2018
Quarterly Yellow Book Updates: 2019, 2018, 2017
AICPA Single Audit Fundamentals: 2018
AICPA State and Local Government Audit Planning Considerations: 2018
Understanding and Evaluating Internal Control: 2018
In Focus: GASB Preliminary Reviews, Financial Reporting Model Improvements: 2018

<<< GO BACK

EDEN C. CASARENO, CPA

Engagement Partner
ecasareno@eadiepaynellp.com | 951.241.7805

"Ms. Casareno has proven to be professional and objective while at the same time partnering with us to meet our objectives."
- Luther Snoke, Director
County of San Bernardino Special Districts

Partner-In-Charge of Attest Services

EDUCATION

BS Degree in Business Administration, emphasis in Accounting, University of California, Riverside

Leadership Excellence Summit, Brainard Strategy Leadership Academy

Advanced Single Audit Certificate

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers

California Special Districts Association

Licensed by the State of California
Years of Experience: 18

SUMMARY

Ms. Casareno joined Eadie + Payne in 2002 and became a partner in 2009. Ms. Casareno ensures continual communication and high-quality execution, leveraging her over 18 years of experience performing financial and compliance audits, assisting clients with complex governmental accounting and reporting requirements, evaluating internal control design and implementation, and developing solutions for government clients.

Based on her experience providing similar services to governmental clients, Ms. Casareno can offer valuable insight on internal controls, ensuring successful identification of findings and development and implementation of solutions. As the Partner-In-Charge of Attest Services, Ms. Casareno will ensure that our team provides dependable, timely and high-quality service.

Ms. Casareno serves as the engagement partner for the following governmental entities:

- Avi Kwa Ame Farms
- City of Oxnard
- City of Riverside
- City of Stockton
- Hesperia Recreation and Park District
- Inland Empire Resource Conservation District
- Inland Valley Development Authority
- Law Library for San Bernardino County
- Riverside County Law Library
- San Bernardino County Special Districts
- San Gorgonio Pass Water Agency
- Twentynine Palms Water District

She also served as lead partner in the audits of Big Bear Municipal Water District, City of Industry and City of Montebello. In addition, she led the Eadie and Payne, LLP team in providing agreed-upon procedures and consulting services to former redevelopment agencies in eight cities in Los Angeles County, Riverside County, San Bernardino County, City of Eastvale (property tax study), and County of San Bernardino (CAL-Card audit and County-wide Risk Assessment study), and West Valley Water District, and City of Moreno Valley.

RECENT RELEVANT CPE:

CSMFO Annual Conference: 2020, 2019, 2018
AICPA Government Audit Quality Center 2019 Compliance Supplement: 2019
AICPA Government Audit Quality Center Update: 2019, 2018, 2017
Effective HUD Compliance Audits: 2019
The Firm's System of Quality Controls: 2019
AICPA Advanced Topics in a Single Audit: 2018
E+P Managing Risks: 2018
Cybersecurity to Protect your Company and your Clients: 2018
CSMFO Panel, Case in Point: Restoring Fiscal Credibility to your City: 2018

MICKEY B. MCGUIRE, MBA

Director of Information Technology
mmcguire@eadiepaynellp.com | 951.241.7800

Director of Information Technology

EDUCATION

BS Degree in Business Administration, emphasis in Information Systems, University of California Riverside

MBA from University of California Riverside, emphasis in Entrepreneurial Management

PROFESSIONAL ORGANIZATIONS

Society for Information Management

American Marketing Association

CERTIFICATIONS

Criminal Justice Information System Security

AWARDS

Service-Based Entrepreneur, Inland Empire Spirit of the Entrepreneur Awards, 2019

Years of IT Management Experience: 17

SUMMARY

Mr. McGuire joined the Eadie + Payne team in 2017 as the firm's Director of Information Technology. He is an experienced IT Executive with demonstrated success in the information technology and services industry. He is skilled in Executive Leadership, Strategic Business Planning, Sales, Organizational turn around, Management, and Entrepreneurship.

Mr. McGuire has more than 25 years of entrepreneurial leadership in developing, managing, and growing business ventures, with 20 of those years as Chief Executive Officer, Chief Information Officer, and other senior leadership roles. Most recently he serves as the CEO of Acorn Technology Services, where he directs operations, information technology, new product development, customer acquisition, and strategic planning.

Mr. McGuire founded Acorn Technology Services in 2017 as a professional IT Consulting Services Company with customers in 17 states, Canada, and Germany that specializes in Managed IT Services, Security, Disaster Recovery and Cloud Services.

Mr. McGuire currently provides information technology consulting services to over 65 clients, in various industries, including governmental agencies and municipalities. His governmental clients served include:

- City of Covina
- City of La Quinta
- City of Lomita
- City of Compton
- City of Monrovia
- City of Oxnard
- City of San Jacinto
- City of South Pasadena
- County of Riverside Fire Department
- County San Bernardino Special Districts
- First 5 of Riverside County
- Beaumont Recreation and Park District
- Hesperia Recreation and Park District
- Jurupa Recreation and Park District
- Riverside Community College District
- Rubidoux Community Services District

Mr. McGuire is, and has been, an active member of the Inland Southern California community. He serves on the board of the Riverside Dollars for Scholars, and has served on community boards with the UC Riverside School of Business Advisory Board, the Inland Empire American Marketing Association, and the Greater Riverside Chamber of Commerce.

DAVID W. MCKISSIC

Information Technology Security Consultant
mckissic@eadiepaynellp.com | 951.241.7800

Information Technology Security Consultant

EDUCATION

CSNT, New England Institute of Technology, Warwick RI, 2005

PROFESSIONAL ORGANIZATIONS

Orange County VMWare Users Group (VMUG)

Southern California Cloud Computing groups

CERTIFICATIONS

Criminal Justice Information System Security

"I enjoy working with the team to improve our processes."

Kenneth Austin,
IT Manager, City of Oxnard

Years of IT Operations and Management Experience: 15

SUMMARY

Mr. McKissic joined the Eadie + Payne team in 2017 as the firm's Information Technology Operations and Security Consultant. He is a solution driven IT professional with a long list of satisfied customers in a wide range of service industries. He is skilled in the strategic planning, design, and implementation of highly scalable, robust, and secure networks. Mr. McKissic has performed IT risk assessments, remediation testing, and attest services for several municipal government clients. He provides Cybersecurity Awareness Training to organizations on an ongoing basis, and is competent in speaking about topics such as Disaster Recovery and BCP, Importance of Device security, how to prepare for Social Engineering and Phishing Attacks, and the importance of Multi-Factor Authentication in a modern workplace.

Mr. McKissic has over 15 years of experience in business development, strategic planning, and technology evangelism, with 6+ years as Chief Technology Officer for IT service organizations. Most recently he serves as a senior engineer of Acorn Technology Services, where he helps lead the team of IT service engineers, and helpdesk technicians. David has a deep passion for all things technology and thrives where he can bring high value solutions to organizations, often reaching goals under budget and ahead of schedules.

Mr. McKissic began his IT career in 1999 with his consulting firm Dave2k.org, performing Y2K compliance updates for local government and municipality organizations. While still in high school, David obtained CompTIA A+, and Network+ certifications. During his time in college he obtained Cisco CCNA, and CompTIA Security+ certifications. Mr. McKissic is currently persuing ISC2 CISSP certification.

Mr. McKissic currently provides information technology consulting services to over 65 clients, in various industries, including governmental agencies and municipalities. His governmental clients served include:

- City of Covina
- City of Compton
- City of Lomita
- City of La Quinta
- City of Monrovia
- City of Oxnard
- City of San Jacinto
- City of South Pasadena
- First 5 of Riverside County
- Hesperia Recreation and Park District
- Jurupa Recreation and Park District
- Beaumont Recreation and Park District
- Riverside Community College District
- Riverside County Fire Department
- Rubidoux Community Services District
- San Bernardino County Special Districts

KATHLEEN G. ROSENFELD, CPA

Quality Standards
krosenfeld@eadiepaynellp.com | 951.241.7807

Senior Advisor/Director of Attest Quality Standards

EDUCATION

BS Degree in Animal Science from Cook College – Rutgers University, New Brunswick, NJ

MS Degree in Animal Science, with an emphasis on large animal production, from University of Connecticut, Storrs, CT

Certificate in Accounting from the University of Baltimore, Baltimore, MD

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

COMMUNITY ORGANIZATIONS

CFO at Temple Emanu El, Redlands, CA

Treasurer of The Friends of the Library – Yucaipa Branch of the San Bernardino Public Library

Volunteer at the AK Smiley Public Library, Redlands, CA

Foster Family for YAPS – Yucaipa Animal Placement Society

Member of the Alpha Zeta Honor Fraternity

Member of Beta Gamma Sigma Honor Fraternity

Licensed by the State of California
Years of Experience: 30

SUMMARY

Ms. Rosenfeld joined Eadie + Payne as a Director of Attest Quality Standards in January 2020. Over the span of her career in public accounting she has lead and performed audits in various industries. However, most recently her focus has been in the audits of not-for-profit organizations and governmental entities. Furthermore, she has completed single audits for organizations of various sizes ranging from smaller not-for-profits to counties. Ms. Rosenfeld displays a strong understanding of generally accepted accounting principles and governmental auditing standards through the testing of internal controls, compliance testing and write up of audit reports for both governmental and private industry clients.

Ms. Rosenfeld shows strength in planning, organizing and executing attest engagements. She has strong interpersonal, communication and project management skills that her clients and colleagues appreciate. She leads our departments in ensuring timely review, training, and technical standards application in a progressively digital auditing environment. Ms. Rosenfeld ensures that our Eadie + Payne team is responsive to the risks that pose your organization and that we address them effectively during our engagement with you.

Ms. Rosenfeld's career in the public sector includes:

- City of Compton
- City of Huntington Park
- City of Indian Wells
- City of Jurupa Valley
- City of Madera
- City of Redlands
- County of Alpine
- County of Fresno
- County of San Bernardino - Measure I Compliance Audits
- Agricultural Foundation of California State University
- Associated Student, Inc. of California State University
- OmniTrans
- California State University – Fresno Foundation
- Greater Palm Springs Convention and Visitors Bureau
- Promesa Behavioral Health
- Radio Bilinque
- Valley Public Radio

RECENT RELEVANT CPE:

Federal Government Auditing: 2020
Accountancy Laws, Ethics, Taxes and Financial Reporting Review: 2019
Fraud Developments: 2018
General Government Interim 2 Day Live Seminar Training: 2017
Quarterly Yellow Book Update: Q1 2017

WILLIAM GARAY, CPA, CFE

Fraud & Forensics
wgaray@eadiepaynellp.com | 951.241.7824

Director of Forensic Auditing

EDUCATION

Bachelor of Science in Accounting, California Polytechnic University, Pomona

Master in Business Administration, California State University, San Bernardino

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants
California Society of Certified Public Accountants

Association of Certified Fraud Examiners

Licensed by the State of California
Years of Experience: 25

SUMMARY

Mr. Garay joined Eadie + Payne in 2019 as Director of Forensic Accounting. He is a Certified Government Financial Manager and a Certified Fraud Examiner.

Mr. Garay's previous appointments also include:

- Inland Valley Development Agency and the San Bernardino International Airport Authority. Mr. Garay served as the Director of Finance for five and a half years. During his tenure he designed and implemented a new accounting system and an electronic documentation and approval system that increased efficiency, reduced paperwork, and strengthened internal controls.
- Securities and Exchange Commission (SEC) in Washington D.C. Mr. Garay served as an Audit Manager and managed internal audits performed in accordance with generally accepted government auditing standards. He also oversaw audit projects including SEC core functions responsible for overseeing the laws and rules that govern the securities industry in the U.S. Other projects included oversight of revenue recognition, government purchases, and internal controls.
- Federal Communications Commission (FCC). Mr. Garay served as an Assistant Inspector for General Audits, where he provided forensic accounting and auditing support for investigations being handled by federal authorities. In his seven years with the commission, he was responsible for the annual audit of the FCC and regularly briefed FCC senior staff on audit findings. He was responsible for follow up of audit findings and recommendations. He also oversaw the annual Federal Information Security Management Act review, which reviewed the FCC information system security on accounting controls. Mr. Garay managed other compliance audits that included travel costs, media security, contracting, and federal mandates.
- Defense Information Systems Agency (DISA). Mr. Garay was an Assistant Inspector General for Audits and was responsible for a number of audit projects including an agency-wide remediation effort of DISA's financial statements in an effort to receive a "clean" opinion. He worked with DISA's Chief Financial Executive on issues relating to Balance Sheet items such as PP&E, Receivables, and Equity accounts. Mr. Garay was also involved in resolving issues with interfund transfers and revenue recognition.

As a member of the inspectors general offices for several federal agencies, he was responsible for determining compliance with federal laws and regulations as well as providing forensic auditing capabilities to the OIG and law enforcement agencies.

Mr. Garay adds a specialized perspective to the Eadie + Payne team as it relates to the assessment of fraud in government operations. As requested he can perform detailed analysis of operations and transactions to review for areas of weakness, potential for fraud, or suspected fraud.

MARY L. MAXION, CPA

Manager
mmaxion@eadiepaynellp.com | 951.241.7823

Municipal Services Manager

EDUCATION

BA Degree in Business Administration emphasis in Accounting, DeVry University, Long Beach, California (Summa Cum Laude)

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers

Licensed by the State of California
Years of Experience: 3

SUMMARY

Ms. Maxion joined Eadie + Payne as a staff accountant in April 2017 and was promoted to manager in January 2019. Ms. Maxion demonstrates a strong understanding of generally accepted accounting principles, as well as governmental auditing standards. She has proven herself to be a valuable key team player by undertaking challenging assignments and overcoming them through efficient planning, sound decision making, and effective communicating, both internally and externally.

Ms. Maxion has exceptional skill in efficiently completing governmental financial statements including assisting with government-wide conversion entries, Comprehensive Annual Financial Reports GFOA certifications, Single Audit reporting, State Controller's Office annual financial transaction reporting, and street reporting. She also assists our clients with the recording and reporting of GASB 68 and 75 pension and OPEB liabilities.

Ms. Maxion's clients served include:

- City of Compton
- City of Huntington Park
- City of Moreno Valley
- City of Oxnard
- City of Riverside
- Hesperia Recreation and Parks District
- County of San Bernardino Special Districts
- Inland Counties Regional Center, Inc.
- Ultimate Internet Access, Inc.

Ms. Maxion is a key person in the firm's largest government audit client for which she serves as a primary in assessing weaknesses in internal control by conducting interviews with department heads, documenting procedures, observations, and control testing. Ms. Maxion plays a critical role in processing and documenting over 200 findings, including interpreting State Controller's internal control findings. Ms. Maxion also assigns and supervises staff to complete work on multi-year engagements concurrently. She works with various City departments to manage the project work flow and communications of requested items in relation to the engagement.

RECENT RELEVANT CPE:

AICPA –GAQC Update: 2019, 2018, 2017
Quarterly Yellow Book Update: 2019
E+P The Firm's System of Quality Control: 2019
AICPA Advanced Topics in A Single Audit
AICPA 2019 State and Local Government Audit Planning Consideration
CSMFO Annual Conference 2020: 7 Solutions to Addressing Pension Liabilities
CSMFO Annual Conference 2020: Protecting Your Entity From Fraud
CSMFO Annual Conference: 2020, 2019, 2018
GFOA Best Practices on Budget, Performances Measures and Sustainability 2019
Strategic Leadership in the public accounting environment: Four Tools Every Leader Must Have
AICPA – Single Audit Fundamentals, Parts 1-4, 2017
Avoiding the Pitfalls: Common Financial Reporting Deficiencies and Latest GASB Implementation Guidance, 2018
The Future of IT and Smart Cities, 2018
GASB Revisits the Financial Reporting Model, 2018
Debt Disclosure Policies, 2018

SAMANTHA PANGAN, CPA

Supervisor
spangan@eadiepaynellp.com | 951.241.7829

Attest Supervisor

EDUCATION

Bachelor of Technology in Accounting, British Columbia Institute of Technology

Associates Degree in Financial Management, British Columbia Institute of Technology

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers

Licensed by the State of California
Years of Experience: 3

SUMMARY

Ms. Pangan joined Eadie + Payne as a senior accountant in August 2018 and was promoted to supervisor in January 2020. Ms. Pangan displays a strong understanding of generally accepted accounting principles and governmental auditing standards through performing tests of internal controls and compliance of numerous local governments, both in financial statement and single audits. She has proved herself as a key team player in performing single audit engagements for the firm's largest government audit clients, for which she thoroughly plans and tests required compliance requirements to bring forth matters for client process improvements, including the documenting any applicable findings.

During Ms. Pangan's two years in industry accounting and finance roles prior to public accounting, she thrived in a fast-paced, and deadline-driven environments, which facilitated her strong suit in efficient planning and testing of audit responsibilities. She displays proficiency and fast adaption to technology and software systems by having been a key player in a major SAP accounting system transition which includes training third-party vendors both in remote and live class arrangements.

Ms. Pangan's clients served include:

- City of Aliso Viejo
- City of Claremont
- City of Compton
- City of El Cajon
- City of Huntington Park
- City of La Mesa
- City of La Verne
- City of Menifee
- City of Oxnard
- City of Riverside
- City of Stockton
- City of Thousand Oaks
- City of West Covina
- County of Riverside
- County of San Bernardino Special Districts
- Inland Valley Development Agency
- Pine Cove County Water District
- Riverside Highland Water Company
- San Gorgonio Pass Water Agency
- Twentynine Palms Water District

RELEVANT RECENT CPE:

CSMFO Annual Conference: 2020, 2019
GASB 87 Lease Accounting
The Blue Book has been Updated
Audit Documentation: 2019
AICPA Government Audit Quality Center Update: 2019
AICPA – 2017 Auditing Update
Audits of State and Local Governments
California Rules and Regulations
A Single Audit Case Study: 2019
Opportunity Zones: A Remarkable Opportunity: 2019
AICPA Single Audit Fundamentals: 2018
Quarterly Yellow Book Update: Q3 2019

JACLYN SHANKEL, CPA CANDIDATE

Supervisor
jshankel@eadiepaynellp.com | 951.241.7819

Attest Supervisor

EDUCATION

BA in Business and History, Walla Walla University (Summa Cum Laude)

MA in Early Modern History, King's College, London (Merit)

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers

Awaiting Certification
Years of Experience: 2

SUMMARY

Ms. Shankel joined Eadie + Payne as a senior accountant in 2018 with a diverse training in accounting and research. During her time at Eadie and Payne, LLP and through prior not-for-profit accounting experience, Ms. Shankel has demonstrated a strong understanding of generally accepted accounting principles and procedures. She has further developed her research and critical thinking skills through substantial volunteering experience, donating time to institutions such as the British Museum, the Museum of Tolerance, local not-for-profits, and more. Through the application of these key analytical and critical thinking skills to auditing standards, Ms. Shankel has proved herself to be a valuable team player.

Ms. Shankel's clients served include:

- Avi Kwa' Ame Farms
- City of Compton
- City of Oxnard
- City of Riverside
- County of Riverside
- County of San Bernardino Special Districts
- Fontana Union Water Company
- Girl Scouts of San Gorgonio Council
- Hesperia Recreation and Parks District
- Inland Empire Latino Lawyers Association
- Inland Empire NECA-IBEW Labor-Management Cooperation Committee
- Inland Valley Development Agency
- Local Union 477 IBEW Southern Sierras Chapter Training Fund
- National Electrical Contractors Association, Southern Sierras Chapter
- NECA-IBEW Inland Training Fund
- Riverside County Education and Training Trust Fund
- Riverside County Law Library
- Riverside Highland Water Company
- San Bernardino Regional Emergency Training Center
- San Gorgonio Pass Water Agency
- Twentynine Palms Water District
- Ultimate Internet Access
- Ventura Pacific Company

RECENT CPE:

CSMFO Annual Conference, 2020: Actuarial Information/Valuations
CSMFO Annual Conference, 2020: GASB Update; Lease Accounting
CSMFO Annual Conference, 2020: Material Weaknesses in Internal Control
AuditWatch Level 4: Experienced In-Charge Training
AICPA Government Audit Quality Center Update: 2019
Overview of Governmental Accounting: 2019
E+P The Firm's System of Quality Control: 2019
Statement of Cash Flows: 2019
CSMFO Annual Conference, 2019: IT Control Environment
CSMFO Annual Conference, 2019: Don't be a victim of Fraud
Analytical Procedures: 2018
Revenue Recognition 2020

EADIE + PAYNE LLP
Celebrating a Century of Quality Service

Eadie + Payne, LLP
3880 Lemon St., Ste. 300
Riverside, CA 92501
P.O. Box 1529
Riverside, CA 92502-1529
Office: 951-241-7800
www.eadiepaynellp.com

February 24, 2020
Jose Chavez
City of Oxnard
300 W. Third St., Suite 202
Oxnard, CA 93030

Dear Mr. Jose Chavez,

On behalf of Eadie and Payne, LLP, we are enthusiastic about the opportunity to continue to serve the City Council, Oxnard management team, and Oxnard community.

A Look Back at Great Progress

We have worked together on many challenges that have transpired over the last five years in rebuilding the City's trust. This was most recently confirmed and highlighted in the City of Oxnard's press release ***"S&P Upgrades City's Bond Rating Outlook to "'Positive', Indicating Improvements to Financial Management"*** dated November 6, 2019 and in our ***"Letter of Encouragement"*** dated October 28, 2019 (Attachment G-7), where we highlighted the following:

- Transition in Leadership – Top Management & City Council;
- Significant Progress on Studies Completed – 128 Management Partners findings, capital asset valuation, rate studies, letters of credit refinancing, IT systems upgrades, and the Corrective Action Plan; and
- Rebuilding, Recovering & Reconnecting – Increased transparency and reporting to your stakeholders.

Executive stability and Council support of initiatives has been key to resolving significant challenges that the City faced. We have been pleased to be a part of that success.

Continuity – Moving Forward Together

The progress in the last year in particular is significant. However, major challenges remain with the Corrective Action Plan and a new ERP system. We feel our firm can offer continuity in this success and also a fresh perspective as we move forward, together, in the coming years.

Our proposal includes the financial and single audits of the periods ending June 30, 2020 through 2024, along with these additional items and services:

- **Partner Transition:** Eden Casareno, Partner-In-Charge of Attest, has been your engagement partner for five years. We are proposing she would continue as Co-Engagement Partner for one more year. Hong N. Nguyen, Partner-In-Charge of Municipal Services, who was a part of our Oxnard team in Year 1, will become your Engagement Partner in Years 2 – 5, following Eden's and Hong's successful transition during our year 1 services.

- **Cybersecurity and Data Privacy:** Security and data privacy is among the top threats to the success of any organization. As customer preferences and operating efficiency demands are leading to a more digitized and electronically connected world, the risk continues to multiply. Our Eadie and Payne, LLP Professionals would utilize specialized tools to scan your network, inside and out, to assess your system's vulnerabilities and identify system weaknesses. This cost of approximately $25,000 would be provided and completed at no cost to the City, other than your internal IT labor time. The recommendations of this study are prepared in a way that enables them to be interpreted and utilized by both management and technical professionals on your team.

- **City Talent Development:** Talent management is critical to the City's strategic success. Having an appropriately skilled, fully engaged, and diverse workforce is essential to enable the City to adapt, problem solve, innovate, and increase productivity. We are committed to assist in your efforts to manage talent within the Finance Department by providing complimentary staff training and technical assistance, as requested, up to a maximum of 200 hours per year.

- **Risk Analysis Tools:** As we begin our 2nd Century of Service to our clients, we have elected to invest heavily in technology tools to increase "risk analysis" of our audits. This is explained in more details in our response to technology tools. We will be happy to discuss the benefits of the benefits to the City and its use.

<u>Our 2nd Century Commitment to You</u>
The bottom line is the City of Oxnard needs a responsive team that addresses your challenges in a timely manner. Eadie and Payne, LLP is committed to continue to perform the services within the time period specified in the RFP. We look forward to another five years of assisting you in this process.

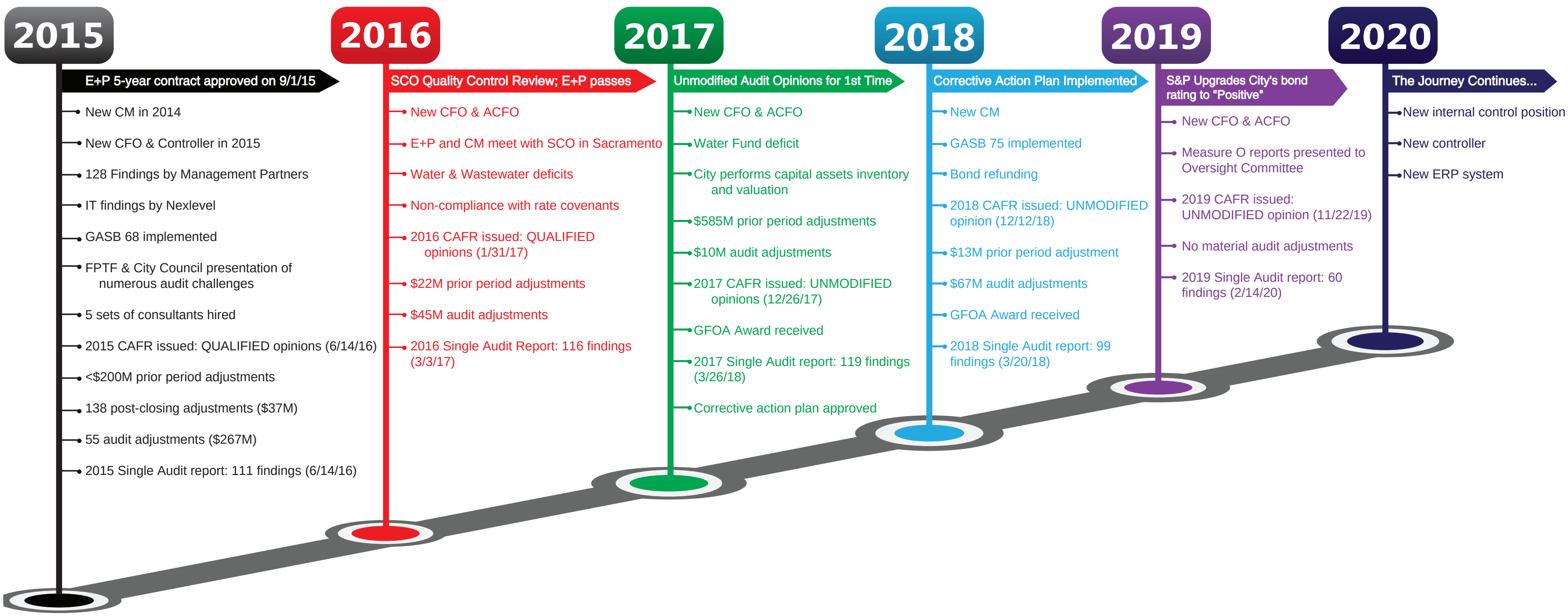
The following are authorized to represent our firm:

- **Donald N. Ecker**, Chairman
  Cell (310) 962-6736 | Telephone (951) 241-7803
- **Eden C. Casareno**, Partner-In-Charge of Attest
  Cell (909) 809-7662 | Telephone (951) 241-7805
- **Hong N. Nguyen**, Partner-In-Charge of Municipal Services
  Cell (909) 809-9061 | Telephone (951) 241-7804
- **Office Address**: 3880 Lemon St. Ste 300, Riverside, CA 92501
  Telephone (951) 241-7800 | Web www.eadiepaynellp.com

Very Truly Yours,

Donald N. Ecker
Chairman, Eadie and Payne, LLP

DETAILED TECHNICAL PROPOSAL



Our "journey" with the City of Oxnard has had it share of challenges, but with it significant progress as well. We are proud to have shared in your recent successes as highlighted in the City of Oxnard's press release and our "letter of encouragement" attached below.

FOR IMMEDIATE RELEASE: Nov. 6, 2019

NEWS MEDIA CONTACT:
Katie Casey, Communications Manager
805-385-7593 | katie.casey@oxnard.org

S&P UPGRADES CITY'S BOND RATING OUTLOOK TO 'POSITIVE,' INDICATING IMPROVEMENTS TO FINANCIAL MANAGEMENT

OXNARD, Calif. – Standard & Poor's (S&P) Global Ratings has revised its outlook from "stable" to "positive" and has affirmed its existing "A" issuer credit rating for the City of Oxnard. S&P is a leading provider of transparent and independent credit ratings worldwide.

According to S&P: "the City's refreshed management team is helping the city build on progress it has made during the past three years in addressing management deficiencies and opportunities." S&P also applauded "an improved organizational culture" and "a recently adopted 'sunshine ordinance' designed to go beyond the state's already robust transparency procedural requirements and a proposed ethics ordinance that will go before voters in March 2020." S&P further commented upon the City's "willingness to address structural budgetary challenges ahead of a potential future recession by making staffing reductions for the fiscal 2020 budget."

The release of the S&P report follows a "letter of encouragement" from the City's independent financial auditor, Eadie and Payne, that also recognized the City's significant progress in addressing prior financial issues and "rebuilding, recovering and reconnecting" with the community it serves.

"We're pleased that two highly-respected, independent third parties are validating our efforts to improve Oxnard's financial standing," said Mayor Tim Flynn. "While we've faced challenges and recently had to make tough choices with budget cuts, we now have evidence that our actions are yielding positive results and improving our City's finances."

City Manager Alex Nguyen stated, "It's incredibly encouraging that our financial management improvements are being recognized for their significant progress. We know that we still have work to do, but industry experts are confirming that we are on the right path towards addressing the issues."

The S&P report sees the potential to raise the City's bond rating above the "A" level within the next two years should the City's new management team "effectively wield and strengthen financial management policies and practices, particularly if [S&P] see gains in other areas such as a swing to strong financial performance and continued tax base growth."

Increasing the City's bond rating is important as it strengthens Oxnard's ability to secure favorable interest rates when borrowing money, which allows the City to maximize its investments that fund improvement projects throughout Oxnard. A high bond rating for a city is similar to how an individual person works to build his or her personal credit rating. When a person has a high credit rating, he or she has access to securing loans with lower interest rates, which ultimately saves him or her money through lower interest rates. When the City has a high

credit rating, it can either save more money or complete more projects and offer the community more services that cost less.

S&P's outlook upgrade and affirmation of the City's "A" issuer credit rating accompany a forthcoming City bond issue approved by City Council on October 1. This bond issue will refund $17 million of the 2011 Lease Revenue Bonds at lower interest rates and generate $7 million of net proceeds to fund the first phase of a new enterprise resource planning software system project, which will replace 30-year-old "green screen" technology and many paper-based City processes.

The S&P report also identified potential challenges facing the City that could negatively impact a future increase of its bond rating. These issues include:

- The political struggle over sewer rates and fees. According to S&P, "a citizen initiative to reverse the [rate] increase, approved by a decisive 72% margin in November 2016, again put the [sewer] fund's liquidity at risk." The report states that if political controversy emerges again surrounding the wastewater rates and makes it "more difficult for the City to find consensus on budgeting decisions," the City could face a downgrade from S&P in its bond rating.
- A separate ongoing lawsuit "could force the city to rebate all or a portion of previously collected fees to its utilities from the general fund and continuing fees for street projects, [and] represents a material contingent liability risk, in our [S&P's] view."
- While S&P thinks the City "has taken substantive measures to resolve a budgetary imbalance," the rising risk of a recession would cause the City's budgetary environment to get "more challenging in the medium term."
- There is also a potential risk to return to a lower bond rating if there is a stalling of organizational improvements due to additional senior management turnover in the future.

The S&P report created for the City of Oxnard is available online here. The "letter of encouragement" from the City's auditor, Eadie and Payne, can be viewed here.

EADIE + PAYNE LLP
Celebrating a Century of Quality Service

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October 28, 2019

Alexander Nguyen
City Manager
300 West Third Street
Oxnard, CA 93030

Dear Mr. Nguyen,

I appreciate our time together last week to discuss the progress the City of Oxnard has made over the last five years and last year in particular.

My letter will focus on your progress acknowledged by the State Controller's Office (SCO) just over a year ago. The State Auditor's Office just released a review of all cities throughout California identifying the worst cities in each county. My experience is the State oversight bodies are extremely interested in positive progress, so my comments will be focused in that manner.

Transition in Leadership

- The City has made significant progress in building top level management with significant attraction of qualified talent in key positions.
- The City has now transitioned to a seven-member Council for better community representation.

Significant Progress on Studies Completed

- The Organizational analysis (started four years ago) provided 128 recommendations for improving City culture by retaining key employees and reducing turnover. This study per our discussion will be implemented this year.
- The City has completed a capital asset valuation to allow the removal of the City's qualification of the Independent Auditors Report and now has an unmodified opinion.
- Various other studies have been completed to assist the City with its recovery, maintenance districts, bond refunding, and development impact fees.
- The City has resolved its letters of credit issues.
- The most significant current event is the approval of the new ERP system.
- The Corrective Action Plan (CAP) from June 30, 2015 that had 111 findings is 91% addressed as of the date of this letter.

Certified Public Accountants & Business Advisors

Rebuilding, Recovering & Reconnecting

The City has amended its ordinance resolution to allow for twelve days instead of three days to publish meeting agendas and reports.

The City has streamlined its boards and commissions to reduce inefficiencies as well as improve transparency and reporting. Two of the most significant items are the Agreed Upon Procedures (AUP) reporting to the Council and the Measure O Citizens Oversight Committee and the periodic reporting of Internal Audit to the appropriate body.

In summary, we agree with the SCO that the City of Oxnard (Council and Top Management) is implementing its multiple year plan to restore what has been lost in prior administrations. Executive stability and Council support of initiatives has been key to resolving significant challenges that faced the City.

Sincerely,
Eadie and Payne, LLP

Donald N. Ecker
Chairman

SUMMARY OF THE AUDIT APPROACH

Eadie and Payne, LLP is experienced in meeting the needs and expectations of our clients. Our goal is to perform a quality audit that will provide assurance to the City's leaders whether the financial statements are free from material misstatements due to error or fraud. Our approach will be differentiated by the following:

- ✓ Focus on internal control over financial reporting;
- ✓ Communication; and
- ✓ Commitment to timely service delivery.

Planning & Interim Fieldwork

Our audit approach reflects the risk assessment standards applicable for governmental audits. These standards require that we assess inherent risk, internal control over financial reporting and compliance, and the likelihood that a material misstatement may occur. To accomplish this, we must maintain our understanding of your organization and its environment, systems, procedures, internal controls, and most importantly, the people.

Our audit begins with updating our understanding of the City and its environment, including its internal control, and assessing the risks of material misstatements. This process includes inquiries with management and others in your organization, preliminary analytical procedures, observation and inspection, and discussions among the audit team. Specifically, this process will involve:

- ✓ Reviewing minutes of the meetings of the Board and any applicable committees;
- ✓ Reviewing important contracts, debt issues, leases, and grant agreements;
- ✓ Reviewing organizational charts, manuals, and program documents;
- ✓ Comparison & inquiry regarding fluctuations of revenues and expenditures by fund, budget vs. actual;
- ✓ Reviewing prior-year audit files, findings, and recommendations; and
- ✓ Reviewing policies and procedures over significant business processes such as banking and investment, purchasing, and grant management.

Many of these documents are made easily accessible to Eadie and Payne, LLP from the City's website.

Depending on the complexity of the internal controls and the extent to which we intend to rely on them, various tests or walk-throughs will be performed to provide evidence regarding the design and operating effectiveness of your internal control.

Tests of controls will be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and compliance. Our goal is to obtain a knowledge level sufficient to identify the risks of material misstatement of the financial statements, including fraud risks, and material non-compliance, and to design the nature, timing, and extent of further audit procedures.

SUMMARY OF THE AUDIT APPROACH

Final Field Work

We will direct our audit emphasis to the areas of significant risk, focusing on the unique characteristics of the City's operating environment, the effectiveness of your internal controls, your financial statement amounts and disclosures, and the applicable compliance requirements.

Eadie and Payne, LLP will review and analyze account balances and transactions and certain general ledger accounts, including asset, liability, deferred inflow and outflow, revenue, and expenditure accounts. We will also review the accounting principles followed and the consistency of their application in preparing the financial statements. Our audit will also include evaluating the reasonableness of accounting estimates and the completeness and accuracy of financial statement disclosures.

Our audit procedures may include, among others:

- ✓ Confirmations of cash and investment balances;
- ✓ Testing of bank reconciliations;
- ✓ Examination of subsequent receipts of receivable balances;
- ✓ Search for unrecorded liabilities;
- ✓ Review of attorney letters;
- ✓ Use of client-prepared schedules and analysis; and
- ✓ Examination of supporting documents.

Our audit plan is developed to achieve the appropriate level of assurance that your financial statements are free from material misstatements due to error or fraud. In order to gain the appropriate level of assurance, our audit may include reasonableness tests, examination of source documents, confirmations, inquiry, and other substantive or analytical procedures.

In addition to the required brain-storming sessions, inquires, and interviews of management and other personnel, computer-assisted fraud detection techniques, analytical procedures, and other appropriate procedures will be utilized to consider fraud throughout the audit.

SUMMARY OF THE AUDIT APPROACH

Report Preparation

The following reports will be issued after the completion of the audits for fiscal years ending June 30, 2020, through 2024:

- ✓ A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for the City.
- ✓ A "in-relation-to" report on Measure O fund.
- ✓ A report on the City's compliance with the Gann appropriation limit.
- ✓ A report on the internal control structure.
- ✓ A report on compliance with applicable laws and regulations.
- ✓ Findings and recommendations for improvements in the systems of internal control.
- ✓ Findings and recommendations for improvements in accounting systems.
- ✓ Findings of non-compliance with laws, rules, and regulations.
- ✓ Any other material items coming to the attention of the auditor during the course of the examination.
- ✓ Internal Control Reports as required by the AU-C265 previously known as Auditing Standard SAS-115. (A sample report on Internal Control and Compliance as required by Government Auditing Standards (Yellowbook) is included in Appendix 1. This report will also include management comments or best-practice recommendations.)
- ✓ Reports to the City Council as required by AU-C260 previous known as Auditing Standard SAS-114.
- ✓ A Single Audit report under Uniform Guidance.
- ✓ An "in-relation-to" report on the schedule of federal financial assistance.
- ✓ Annual State Controller's Financial Transactions Report.
- ✓ Annual State Controller's Street Report.

SUMMARY OF THE AUDIT APPROACH

Timely Communication and Service Delivery

We work with management in the performance of our services. We will work closely with the individual who is designated as the audit coordinator and other members of the Finance staff as assigned. Our engagement will commence with an entrance conference with key personnel. At this meeting, we will discuss engagement objectives, and expectations from the City. Our goal is to achieve a clear, mutual understanding regarding the project timeline.

Throughout the engagement, our team will provide status reports and stay in close communication with management to discuss steps performed, significant issues, conclusions, and recommendations.

We will provide a draft of the audit report to management. The final audit report is presented to the Finance and Governance Committee for discussion. A final presentation is made to the City Council.

Other Services

We will assist in other activities as requested in the RFP:

- ✓ Assist in preparing the CAFR to meet the requirements of the Awards for Excellence in Government Finance Program of the Government Finance Officers Association (GFOA) of the United States
- ✓ If requested, we are available to assist in the issuance of “consent letters” or “comfort letters” in connection with sale of debt securities.
- ✓ We can assist in assessing internal controls, implementing audit recommendations, and answer any technical questions you may have related to governmental financial reporting and other areas of our expertise.
- ✓ 200 hours of complimentary staff training and technical assistance to be provided each year.

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PROPOSED SEGMENTATION OF THE AUDIT

May 11, 2020	Planning and interim fieldwork begins
June 2020	PBC List provided to the City
October 2020	Year-end audit fieldwork begins
October 2020	Exit Interview
November 2020	Draft CAFR to City
On or Before December 30, 2020	Issuance of Final Reports to Controller and ACFO*
January / February 2021	Presentation of Reports to Committee
January / February 2021	Presentation of Reports and Presentation to City Council

*We will work with management to meet their deadlines on the Single Audit.

LEVEL OF STAFF AND NUMBER OF HOURS

Assignment and Budget Hours

	Phase 1: Planning & Interim	Phase 2: Year-End Fieldwork	Phase 3: Reports & Presentation	**Total**
Partner	40	72	20	**132**
Manager	80	153	30	**263**
Specialist		30	10	**40**
In-Charge (Supervisor/Senior)	145	285	55	**485**
Staff	105	295	40	**440**
Clerical Support			40	**40**
Total	**370**	**835**	**195**	**1,400**
Complimentary staff training and technical assistance thoughout the year				**200**
Total	**370**	**835**	**195**	**1,600**

STATISTICAL SAMPLING

Sampling is one of many audit procedures we use to provide sufficient appropriate audit evidence to support our auditor's opinion. We may use audit sampling procedures to obtain audit evidence during our testing of your internal controls and compliance and in our tests of details. We will select our sample sizes based on the characterization of the population, our materiality levels, and our risk assessments performed in the planning phase of our audit. Statistical as well as non-statistical sampling may be used. Sample sizes will generally range from 25-60 items depending on the nature of transactions and purpose of the test. We may also use dual- or multi-purpose samples if the situation permits.

Teammate Analytics will be used to obtain a representative sample of the total population of the items to be tested. Teammate Analytics will also enable us to analyze 100% of the population instead of a sample testing which will provide more reliable results and more relevant insight.

SOFTWARE

- CCH Solutions - ProSystem fx Engagement
- CCH Solutions - Knowledge Coach
- CCH Teammate Analytics
- CCH Accounting Research Manager
- CCH Axcess Portal and Organizer

Eadie and Payne, LLP has been using a paperless audit approach for many years. All members of the Eadie and Payne, LLP audit team are assigned personal computers that include the latest updates of professional accounting and auditing software, search engines, word processing, and spreadsheet software. We will utilize computer-assisted auditing techniques, thereby increasing our audit efficiency and effectiveness, saving you time and money and increasing the reliability of the results of audit tests. We also offer our clients web-based portals that provide a secure, convenient, and easy way to exchange and share files with us.

Eadie and Payne, LLP has invested in **CCH Solutions,** a dynamic audit software consisting of **Prosystem fx Engagement**, **Knowledge Coach**, and **Teammate Analytics** that institutes a fully integrated audit approach that increases our efficiency and the quality of our audits. This integrated audit approach leverages automated processes steered by auditor expertise to drive the overall audit process – not standardized, pre-defined checklist methods. This solution improves audit preparation and execution while promoting efficiency, quality, and client understanding.

Prosystem fx Engagement puts the power of paperless engagements in our hands. It allows access to audit files, audit documents, audit workpapers, and client prepared schedules. This software is what Eadie and Payne, LLP uses to prepare your CAFR anytime, anywhere with a versatile tool that manages workpapers, trial balances and workflow, allowing us to decrease the time we spend at your office and offering you less disruption from the auditors.

Benefit to the City: Allows automation of the trial balance so that adjustments made by Journal Entries during the audit will flow to the Final Audit Report, MD&A, RSI and Supplementary Schedules and the statistical sections. This will reduce human error in copying and pasting financial information between reports.

Using its risk-based methodology, **Knowledge Coach**, is the most comprehensive audit solution in the market. It improves audit preparation and execution with an automated process. Updates happen in real-time. Risks are linked to program steps and diagnostics are provided so that no risk remains unaddressed.

Benefit to the City: Ensures that Eadie and Payne, LLP will identify and address relevant risks that will be linked to audit program steps enabling diagnostics for unaddressed risks being identified.

SOFTWARE

Teammate Analytics is packed with over 150 tools and features to make data analysis easy to use. We utilize **Teammate Analytics** to gain deeper understanding of your organization. With **Teammate Analytics**, we can test complete sets of data rather than testing samples, identify anomalies and trends more easily, and conduct a comprehensive analysis of your general ledger system. This tool increases our efficiency and effectiveness, saving you time and money and increasing the reliability of the results of audit tests. In addition, we can provide more useful insights to the City.

Benefit to the City: Better risk assessment can be achieved based on anomalies and trends discovered with the software. A higher quality of audit evidence can be obtained in a quick and efficient manner since more data can be examined that if traditional audit sampling methods are used.

Eadie and Payne, LLP has added the **CCH Accounting Research Manager** software to our audit library. This software includes a comprehensive library for internal control reporting that contains interpretations, commentaries and cross-indexed standards. This enables us to have the latest pronouncements and guidance available to us, and to you our client, when drafting the audit reports on compliance.

To protect your financial information and sensitive audit documents, our firm assigns a secure portal, **CCH Axcess Portal,** in which to place requested data files and other request audit support documents. Access is limited to the personnel assigned to the audit so that the information that is sent to us remains confidential.

In addition to your ability to use the client portal, you also have the ability to utilize **CCH Prosystem fx Engagement Organizer**. The organizer simplifies the process of requesting, receiving and tracking documents and notes between the City and Eadie and Payne, LLP. It improves collaboration between our teams with all requests, notes and due dates logged in one place. It’s more than a PBC list because of features like real-time synchronization, automatic reminders and notifications.

ANALYTICAL PROCEDURES

We will use analytical procedures during the planning, performance, and review phases of our audit. We will analyze current and prior-year amounts to ensure changes from year to year are reasonable and proper. Variances will be followed up until we are satisfied that the current-year financial statements are fairly presented. We may also use specific ratio analyses and trend analyses of these ratios as well as budget to actual comparisons.

We will use the many analytic tools available with Teammate Analytics to achieve success in this area. For example, with payroll testing, we are able to use the entire data set to derive employees with excessive overtime and time off. In testing manual journal entries posted we are able to use the entire population based on accounting software report to easily spot outlying entries for further inspection.

UNDERSTANDING INTERNAL CONTROL STRUCTURE

We will evaluate the design and implementation of internal control over financial reporting and compliance based on the framework contained in the State Controller's Office Internal Control Guidelines for Local Agencies (2015) and Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

- ✓ Control environment - Is the environment favorable to internal control?
- ✓ Risk assessment - Does the City have a risk assessment process at appropriate levels?
- ✓ Control activities - Do control activities contribute to the mitigation of risks and include a mixture of control activity types that address authorization and approval, verification, physical control, reconciliations, supervisory controls, and segregation of duties?
- ✓ Information and communication - Does the City provide, share, and obtain information continually, up, down, and across the organization?
- ✓ Monitoring - How does the City perform ongoing evaluations to ascertain whether the components of internal control are present and functioning?

Our evaluation of internal control will include an assessment of information technology general controls (ITGC). Mickey McGuire and David McKissic will lead our IT team in assessing the City's IT system and controls. Our Eadie and Payne, LLP professionals will use our specialized tools to scan your IT network to assess the vulnerabilities and to identify system weaknesses.

Eadie and Payne, LLP acknowledges the City's progress in implementing prior Corrective Action Plan items. The items have decreased from 172 items to 60 findings currently.

Eadie and Payne, LLP will work in cooperation with the City as they transition from their current software program, HTE, to the new software program, Tyler Technologies ERP system, to insure both parties understand the internal controls in place during and after the transition.

We will continue to test key policies and procedures as they are updated due to recommended changes from the Corrective Action Plan.

DETERMINING LAWS AND REGULATIONS

As part of the risk assessment process, Eadie and Payne, LLP will obtain an understanding of laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts, design tests of compliance with those laws, regulations, and provisions of contracts and grant agreements, and evaluate the results of those tests. Because governments are subject to many laws, regulations, and provisions of contracts or grant agreements, we will identify those that directly relate to specific aspects of the government within the context of our audit objectives. This process will involve discussions with management, legal counsel, or grant administrators about your compliance requirements and reviewing relevant laws, regulations, contracts, and agreements. In addition, we will review minutes of the City Council and Committee Meetings, and staff reports.

AUDIT SAMPLING FOR PURPOSES OF TEST OF COMPLIANCE

The purpose and nature of sampling is to gather sufficient appropriate audit evidence without testing every transaction. An auditor can test a selection of transactions and draw conclusions about the broader population provided the sample selected is a representative of the relevant population. We utilize random selection, systematic selection, and haphazard selection to achieve a representative sample.

Tests of compliance provide evidence about an auditee's ability to adhere to the direct and material compliance requirements of a single audit's major programs. Our audit opinion is on compliance requirements that have direct and material effects on each major program. As such, each major program will have separate populations that will need to be sampled for each direct and material compliance requirement. Tests of controls over compliance provides evidence about the effectiveness of the design, implementation, and operation of controls and policies in preventing or detecting material non-compliance. A common practice is to utilize a single sample to test compliance and to perform test of controls on the same sample – also known as Dual-purpose sample testing. Eadie and Payne, LLP will utilize this whenever possible to increase the efficiency of the audit.

ANTICIPATED POTENTIAL AUDIT PROBLEMS

Our audit plan is based on the assumption that the accounting records will be in good order. We expect all elements of the financial statements and schedules to be ready when we start final fieldwork. The general ledger and subsidiary ledgers for receivables and payables should be in balance and cash accounts should be reconciled. Capital assets and the related depreciation expense should be properly recorded. Revenue and expenses/expenditures should be properly accounted for on the full accrual or modified accrual basis as appropriate.

There should be knowledgeable personnel available to assist us in retrieving documents, answer questions concerning the records, and prepare, under our direction, lists and schedules of certain accounts. We should have reasonable access to the personnel and items that we believe are needed to complete our work.

If, during our audit, we discover that accounts have not been properly reconciled, we will bring this information to the attention of management and discuss how to proceed. If the problems are extensive, we may need to reschedule the audit fieldwork. This situation could impact the completion of the audit on a timely basis as well as the fees.

New Accounting Pronouncements

With the list of new GASB pronouncements continuing to grow, Eadie and Payne, LLP prides itself in being a resource for its clients in the understanding and implementation of these new standards. Eadie and Payne, LLP understands that the implementation of these pronouncements can be quite an undertaking and is committed to assisting the City through it every step of the way. The following are recent GASB pronouncements that may affect the City:

GASB Statement No. 84, Fiduciary Activities

Effective Date: For reporting Periods beginning after December 15, 2018. Earlier application is encouraged.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, Leases

Effective Date: For fiscal years beginning after December 15, 2019.

This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

ANTICIPATED POTENTIAL AUDIT PROBLEMS

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

Effective Date: For reporting periods beginning after December 15, 2018. Earlier application is encouraged.

This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

GASB Statement No. 91, Conduit Debt Obligations

Effective Date: For reporting periods beginning after December 15, 2020. Earlier application is encouraged.

This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

GASB STATEMENT NO. 92, OMNIBUS 2020

Effective Date: Various. Earlier application is encouraged.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: Leases (effective upon issuance); intra-entity transfers of assets (effective for fiscal years beginning after June 15, 2020); Pensions and OPEB (effective for fiscal years beginning after June 15, 2020); Fiduciary Activities (effective for reporting periods beginning after June 15, 2020); asset retirement obligations (AROs) (effective for reporting periods beginning after June 15, 2020).

IT Conversion

The City of Oxnard plans on implementing a Citywide IT conversion over multiple years. This will have many ramifications to the audit of the CAFR and Single Audit reports. Dual system testing of audit data from the new and old systems will need to take place to ensure that all data was properly converted. Our team will work closely with your IT conversion team as well as our IT specialists to ensure that the conversion was properly performed and that all audit data is properly stated.

ANTICIPATED POTENTIAL AUDIT PROBLEMS

Expansion of Scope Due to Internal Weaknesses Noted in Prior Audit Reports

The City has made tremendous progress in resolving the material weaknesses and significant deficiencies that were found in prior years. However, there are still findings outstanding that could impact the reliability of accounting records and balances under the scope of a general audit. To be able to opine on the City's financial statements, we would have to expand our scope of testing to mitigate the instances where there are still material weaknesses or significant deficiencies. We have proposed our budget for the audit with this in mind. We will continue to work with the City to update our additional procedures and related fees until all findings have been resolved.

CAP Status Update

As part of continued reporting to the State Controller's Office and the Federal granting agencies , it is required for the City to update and maintain a Corrective Action Plan that addresses the audit findings. We will continue to work with the City to review and update our responses to the findings that were issued in prior years. As the City resolves the findings and implements updated policies and procedures, we will interview various personnel that directly oversee and/or process the transactions, perform walkthroughs, and/or additional testing if needed. We will determine if the finding has been appropriately addressed and we will update the Single Audit Report to document that the remediation of the findings have been completed. This work is outside of the normal scope of an single audit and as such the budget for the single audit has been updated to incorporate these additional procedures.

WHAT OUR CLIENTS SAY ABOUT EADIE AND PAYNE

City of Compton:

"Your team has been a pleasure to work with. Thank you for your unfailing pragmatism, expertise, and joviality the entire way. Thank you all for a job well done!"

Inland Valley Development Agency:

"Our organization retained the firm amidst one of the most difficult periods in our operational history. Facing the myriad of confusion over dissolution of redevelopment agencies in California and an impending need to complete a comprehensive tax allocation bond refinancing, the team at Eadie + Payne rose to the occasion, completing two complex independent annual financial audits within months of one another. I found their staff to be extremely knowledgeable, professional, and customer-focused – traits of a truly excellent firm. I would strongly recommend Eadie + Payne to any public sector organization. Most recently, they assisted us with special procedures over Successor Agency cash over five years."

City of Moreno Valley:

"The City of Moreno Valley's recent experience with your firm during our consulting agreement with respect to the Cal-Card Process Review was one of the most efficient, timely, and thorough reviews we have encountered. Your knowledgeable staff, prompt responses to our inquiries, and detailed requests kept the project on the original time lines, which was valuable to our reporting needs. We sincerely appreciate the professionalism and feedback you and your team provided us. We look forward to working with Eadie & Payne in the future when the opportunity arises!"

City of Oxnard:

"As our independent auditing firm, Eadie + Payne, identified an unprecedented number of internal control deficiencies and other findings that were of concern to our city leaders, the general public, and the State Controller's Office (SCO). Because of the engagement team's expertise and experience in working with municipal entities, with similar challenges and their ability to work with our finance team to improve our procedures, the SCO allowed us to implement our own corrective action plan to strengthen our internal controls without state oversight."

City of Compton, Inland Valley Development Agency, and San Bernardino County Special Districts rated Eadie and Payne, LLP 5 out of 5 in a recent customer satisfaction survey.

Addendum No. 1
Professional Auditing Services
February 11, 2020

CERTIFICATION OF RECEIPT OF ADDENDUM

I certify that I have received this Addendum on behalf of the company listed below.

Signed: Dated: 2/12/20

Print Name: Hong N. Nguyen Title: Partner in Charge of Municipal Services

Company: Eadie + Payne LLP

Email: hnguyen@eadiepaynellp.com

CONTRACT WITH AUDIT FIRM FOR ANNUAL FINANCIAL AUDITS AND SINGLE AUDITS FOR FEDERALLY FUNDED PROGRAMS FOR FISCAL YEARS 2019-20 THROUGH 2023-24

Presentation to Finance and Governance Committee

Kevin Riper, Chief Financial Officer

April 28, 2020

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the Finance and Governance Committee recommend City Council award to Eadie + Payne LLP a 5 year agreement for annual financial audits and Single Audits for Federally funded programs.

REQUEST FOR PROPOSALS

- Multiple solicitation channels
- Only two responses
  - Brown Armstrong, Bakersfield
  - Eadie + Payne, Riverside

EVALUATION TEAM

- Mayor
- CFO
- Assistant CFO
- Controller
- Senior Manager – Internal Controls
- Information Technology Manager – Enterprise Applications

EVALUATION TEAM CONCLUSIONS

- Both firms qualified; proposed staff OK
- Physical distance from Oxnard OK
- Edge to Eadie + Payne for audit experience with cities in some accounting and financial distress
- Eadie + Payne's audit plan more realistic
- Big edge to Brown Armstrong on cost

EVALUATION TEAM COMBINED SCORING

RFP Element (max. points)	Brown Armstrong	Eadie+Payne
Responsiveness to RFP **(5)**	3	5
Relevant experience/credential/ resumes/licenses/ certifications **(45)**	31	40
Technical Capability and Project Methodology **(15)**	8	13
Cost **(35)**	35	25
TOTAL **(100)**	77	83

FINANCIAL IMPACT

- 5-year cost

FY 2019-20	$210,600
FY 2020-21	$210,600
FY 2021-22	$216,100
FY 2022-23	$216,100
FY 2023-24	$221,700
TOTAL:	$1,075,100

- By comparison, the total cost of the same audit services for the last five years was $1,408,733.

RECOMMENDATION

That the Finance and Governance Committee recommend City Council award to Eadie + Payne LLP a 5 year agreement for annual financial audits and Single Audits for Federally funded programs.