



Finance Department  
General Services Division

**REQUEST FOR PROPOSALS (RFP)**  
**Specification No. 23-11559-C**  
**FOR**  
**EXTERNAL AUDIT SERVICES**  
**PROPOSALS WILL NOT BE OPENED AND READ PUBLICLY**

Dear Proposer:

The City of Berkeley is soliciting written proposals from qualified firms or individuals for **EXTERNAL AUDIT SERVICES**. As a Request for Proposal (RFP) this is not an invitation to bid and, although price is very important, other factors will be taken into consideration.

The project scope, content of proposal, and vendor selection process are summarized in the RFP (attached). **Proposals must be received no later than 2:00 pm, on Thursday, February 16, 2023.** Proposals are to be sent via email with “EXTERNAL AUDIT SERVICES” and **Specification No.23-11559-C** clearly indicated in the subject line of the email. Please submit one (1) PDF of the technical proposal. Corresponding pricing proposal shall be submitted as a separate document.

**Email Proposals to:**  
City of Berkeley  
Finance Department/General Services Division  
[purchasing@cityofberkeley.info](mailto:purchasing@cityofberkeley.info)

Proposals will not be accepted after the date and time stated above. Incomplete proposal or proposals that do not conform to the requirements specified herein will not be considered. Issuance of the RFP does not obligate the City to award a contract, nor is the City liable for any costs incurred by the proposer in the preparation and submittal of proposals for the subject work. The City retains the right to award all or parts of this contract to several bidders, to not select any bidders, and/or to re-solicit proposals. The act of submitting a proposal is a declaration that the proposer has read the RFP and understands all the requirements and conditions.

For questions concerning the anticipated work, or scope of the project, please **contact Darryl Sweet, General Services Manager, via email at [dsweet@cityofberkeley.info](mailto:dsweet@cityofberkeley.info)**, no later than Thursday, January 26, 2023. Answers to questions will **not** be provided by telephone or email. Answers to all questions or any addenda will be **posted** on the City of Berkeley’s site at <https://berkeleyca.gov/doing-business/working-city/bid-proposal-opportunities>. It is the vendor’s responsibility to check this site. For general questions concerning the submittal process, contact purchasing at 510-981-7320.

We look forward to receiving and reviewing your proposal.

Sincerely,

Darryl Sweet  
General Services Manager

## **I. BACKGROUND /SUMMARY/or INTRODUCTION**

The City of Berkeley is requesting proposals from qualified firms of Certified Public Accountants to audit City financial statements for the three (3) fiscal years ending June 30, 2023, 2024, and 2025 and might extend for two (2) one-year options for a total of five (5) years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. Governmental Accountability Office's Government Auditing Standards (December 2011 edition), the provisions of the federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for the City of Berkeley to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

The City of Berkeley reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Mayor and/or the Mayor's Audit Committee, which currently consists of the Mayor, the Chief of Staff to the Mayor, the City Auditor, Audit Manager, and an independent CPA who lives in Berkeley. City staff will participate as needed. The Mayor will make the final selection.

During the evaluation process, the City of Berkeley reserves the right, where it may serve the City of Berkeley's best interest, to request additional information or clarifications from proposers. At the discretion of the City of Berkeley, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Berkeley reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Berkeley and the firm selected. It is anticipated the selection of a firm will be completed at the latest by April 15, 2023. Following the notification of the selected firm, it is expected that a contract will be executed between both parties by June 30, 2023.

## **II. SCOPE OF SERVICES**

### **A. Term of Engagement**

A three (3) or five (5) year contract is contemplated, subject to the annual review and recommendation of the Mayor, the satisfactory negotiation of terms (including a price acceptable to both the City of Berkeley and the selected firm), and the annual availability of an appropriation.

**Should any firm submitting a proposal consider subcontracting portions of the engagement, that fact must be clearly identified in the proposal along with the name and engagement staff of the proposed subcontracting firm(s).**

### **B. Documents made available**

The City is providing the following documents to prospective respondents (links or attachments):

- Annual Comprehensive Financial Report for FY 2022
  - <https://berkeleyca.gov/sites/default/files/documents/annual-comprehensive-financial-report-fy2022.pdf>
- Single Audit Report for FY 2021:
  - <https://berkeleyca.gov/sites/default/files/2022-04/single-audit-report-fy2021.pdf>

- Budget for FY 2022:
  - <https://berkeleyca.gov/sites/default/files/2022-03/cob-proposed-budget-fy2022.pdf>
- FY 2023 Adopted Budgets
  - <https://berkeleyca.gov/your-government/financial-information/city-budget>
- Stand-alone financial statements of Berkeley Rent Stabilization Board for FY 2021 (attached)
- Management Letter for FY 2021 (attached)
- Measure B Compliance audit report for FY 2022 (attached)
- Business Economic Development Administration Revolving Loan audit report for F2022 (attached)
- An Independent Accountants' Report on Agreed Upon Procedures Applied to the Appropriations Limit Schedule (attached)
- A list of all the audits done by the City Auditor during FY 2022 and FY 2023 (TBA)

### **C. Scope of Work to be Performed**

The City of Berkeley is soliciting the services of qualified firms of certified public accountants and desires the external auditor to audit its financial statements for the fiscal year ending June 30, 2023, and the two subsequent fiscal years thereafter. The auditor is to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The external auditor is not required to audit the combining and individual fund financial statements and supporting schedules contained in the comprehensive annual financial report. However, the external auditor is to provide an "in-relation-to" report on statements and schedules based on the auditing procedures applied during the audit of the basic financial statements. The external auditor is not required to audit the introductory or statistical sections of the report.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

### **D. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Governmental Accountability *Office's Government Auditing Standards* 2018 edition), the provisions of the Single Audit Act of 1984 as amended in 1996, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits Of State, Local Governments*, and Non-Profit Organizations.

### **E. Reports to be Issued**

#### **1. Annual Comprehensive Financial Report**

The City will prepare the Annual Comprehensive Financial Report.

The external auditors shall issue a report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the combining and individual fund financial statements and schedules "in relation to" the audited financial statements.

The audit will be performed in accordance with generally accepted auditing standards issued by the Comptroller General of the United States, the provisions of the Federal Single Audit Act, and United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments*, and Non-Profit Organizations.

The external auditors shall provide thirty (30) bound copies of the Annual Comprehensive Financial Report.

2. Separate (Stand-alone) Financial Statements

The external auditors will be responsible for issuing separate audit reports on the financial statements of the following component unit:

a. Berkeley Rent Stabilization Board

The external auditor shall issue a report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles for the Rent Stabilization Board.

3. Single Audit Reports

The City will prepare the Schedule of Expenditures of Federal Awards.

- a. The external auditors will issue a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.
- b. The external auditors will issue a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Office of Management and Budget Circular A-133.
- c. The external auditors will issue an “in relation-to” report on the Schedule of Expenditures of Federal Awards.
- d. The external auditors shall provide thirty (30) bound copies of each Single Audit report to the City Finance Director and electronically file it with the Federal Clearinghouse.

The auditor shall communicate any reportable conditions found during the audit in the required reports on compliance and internal controls. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

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

The reports on compliance shall include all instances of noncompliance.

*Irregularities and illegal acts:* The auditor 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 of to the following individuals:

City Manager, Dee Williams-Ridley  
City Attorney, Farimah Brown  
City Auditor, Jenny Wong  
Director of Finance, Henry Oyekanmi

#### 4. Other Reports

Separate audit reports for the following:

- a. Business Economic Development Administration Revolving Fund-Due by 12/31;
- b. Alameda County Transportation Commission Measure B Funds-Due last week in December;
- c. Alameda County Transportation Commission Measure BB Funds-Due by last week in December;
- d. Alameda County Measure F Vehicle Registration Fee Funds (VRF)-Due by last week in December; and,
- e. Transportation Development Act (TDA) grant from MTC-Due by 12/31

In addition, the external auditor is to provide an Independent Accountants' Report on Agreed Upon Procedures Applied to the Appropriations Limit Schedule.

#### 5. Management Letter

The external auditor will provide copies of the Draft and Final Management Letter as follows:

1. Draft list of tentative findings to the City Manager and Finance Director after interim audit work is completed. Identify which individuals in the departments these findings were discussed with.
2. Draft Management Letter to the City Manager and Finance Director by November 30<sup>th</sup>; to the Mayor's Audit Committee, with draft responses, by December 15<sup>th</sup>. Identify which individuals in the departments these findings were discussed with.
3. Draft Management Letter, including Single Audit findings, and management's responses to the findings and recommendations, directly to the City Manager and Finance Director each by March 15<sup>th</sup>; to the Mayor and City Auditor by March 31<sup>st</sup>. If the Management Letter is not submitted to the Mayor by the due date, the external auditor must send a letter to the Mayor indicating the reason(s) for the delay, and indicating the date the Management Letter will be submitted.
4. Final bound copies of Management Letter, including management's responses to the findings and recommendations, to the Mayor, City Manager, City Auditor and Finance Director by April 15<sup>th</sup>.

The Management Letter will communicate any issues regarding the internal control structure; items concerning compliance with laws, rules, and regulations; opportunities for more effective and efficient use of the City's resources; and other matters of interest to the City Council and management may be included in this letter. The management letter shall also include the status of prior year reportable conditions, if any, and other audit findings.

After receiving management's responses to the Management Letter findings and recommendations, the external auditor will provide copies of the Management Letter, including the responses, directly to the Mayor, City Auditor, City Manager, and the Director of Finance. Additionally, at the same time, they shall also provide thirty (30) bound copies to the Finance Director.

#### 6. Monthly Progress Reports to Director of Finance

The external auditor will be responsible for scheduling monthly progress report meetings with the Director of Finance to report on the progress of the auditor's examinations and on their preliminary audit findings and recommendations. The external auditor is also expected to report directly to the Mayor or the City Manager at any time deemed appropriate by the external auditor based on the materiality of audit findings or concerns and observations of the external auditor.

7. Internal Control/Planning Meetings with City Auditor

The external auditor will be responsible for scheduling two meetings with the City Auditor when appropriate. One meeting will be to discuss internal control issues identified in audits performed by the City Auditor's staff, for follow-up purposes and to avoid duplicate audit coverage. The second meeting will be held to review internal control issues noted during the external auditor's interim work, including reportable conditions, if applicable.

8. Progress Report Meetings with Audit Committee

The external auditor will be responsible for scheduling two progress report meetings with the Audit Committee (preferably after the issuance of the interim Management Letter and after issuance of the draft Final Management Letter) to report on the progress of the auditor's examinations and on their audit findings and recommendations. A third meeting may be required if the Single Audit work is performed after the financial audit is finalized, and there are any significant Single Audit findings.

9. Audit Entrance Conference/Submission of Audit Plan

The external auditor will be responsible for scheduling an audit entrance conference, coordinated with the Director of Finance, with all key department personnel, to discuss prior audit problems, field work schedule, due dates for City to provide worksheets and other requested data to the auditor, and other matters.

The external auditor must present the audit plan to the Director of Finance or his/her designee prior to beginning fieldwork. In addition, the external auditor must present all final reports to the Director of Finance by the due dates outlined in this RFP, including the CAFR, Single Audit, Rent Stabilization Board report, and management letter, once the audit is completed.

**F. Special Considerations**

1. The City of Berkeley will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada (GFOA) by December 31<sup>st</sup> each year for review in their Certificate of Achievement for Excellence in Financial Reporting programs. The City has received certificates from GFOA for the last 33 years.
2. The City of Berkeley has determined that the U.S. Department of Housing and Urban Development will function as the cognizant agency in accordance with the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations.
3. The schedule of expenditures of federal awards and related external auditor's report as well as the reports on the internal control structure and compliance are not to be included in the ACFR, but are to be issued separately.
4. The City of Berkeley anticipates it will prepare one or more official statements in connection with the sale of debt securities. The official statements will include the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor, and any necessary "comfort letters".

## **G. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the external auditor's expense, for a minimum of five years, unless the firm is notified in writing by the City of Berkeley of the need to extend the retention period. The working papers are subject to review by federal and state agencies and other individuals designated by the City of Berkeley. Accordingly, the working papers shall be made available upon request to the following parties or their designees:

1. City Auditor of the City of Berkeley
2. City Manager or designee
3. Oversight or cognizant agencies
4. Parties designated by the federal or state government or by the City of Berkeley as part of an audit quality review process
5. Auditors of entities that make grants to the City of Berkeley.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers.

## **H. Description of the City Government**

### **1. Principal Contacts**

The external auditor's principal contacts with the City of Berkeley will be:

- a. Director of Finance, or a designated representative, who will coordinate the audit schedule and provide assistance to the external auditor while working in the City of Berkeley.
- b. Mayor and City Manager for discovery of irregularities and illegal acts.
- c. City Manager for significant disagreements with management, or changes in the scope of the audit.
- d. Mayor and City Manager for changes in the scope of the audit.

### **2. Background Information**

The City of Berkeley, California is a Charter City governed by a nine-member City Council who hires a City Manager to administer its day-to-day operations. Operations of the City consist of a wide variety of general governmental activities and enterprise operations, which are more extensively defined in the City of Berkeley Annual Comprehensive Financial Report (ACFR), which is available for review.

Section 24 of the Charter of the City of Berkeley assigns the Mayor the responsibility for selecting the City's external auditor.

The City also has an independent elective Office of City Auditor established under the City Charter. The Office of the City Auditor consists of two divisions: Payroll Audit and Performance Audit. The Office of the City Auditor has 14.75 FTE, including 5 professional auditors (including an Audit Manager) to staff the Performance Audit division. The City Auditor does not maintain financial records or perform accounting functions. The Performance Audit division conducts performance and financial audits or special studies of any phase of the City of Berkeley government in accordance with government auditing standards. The focus is on assessing City activities and making recommendations to the City Manager and City Council on how to improve program performance. The Payroll division coordinates and monitors certain portions of the citywide payroll operations, including assisting management with compliance with federal, state, and local tax and labor laws.

The City of Berkeley encompasses an area of 19 square miles with a diverse population of approximately 124,563.

The City government is divided into 18 departments and a Rent Stabilization Board. These City departments provide services ranging from police and fire services to parks and recreation and library services.

The City of Berkeley has a June 30 fiscal year end. The City had an annual payroll (salaries and employee benefits) of approximately \$298.1 million covers 1,660 employees in FY 2022. The annual adopted budget for the City of Berkeley for FY 2022 was approximately \$552.3 million. The accounting and financial reporting functions of the City are centralized in the Finance Department.

## **6. Computer Systems**

The City utilizes an IBM AS/400 computer system to process financial, accounting, and related transactions. Software for the City of Berkeley's general ledger and other financial systems was developed by Sun Guard THE (now part of CentralSquare), Inc. In addition to the AS/400 computer system the City has migrated to Tyler Munis software for its Enterprise Resource Planning (ERP) needs. This software runs on Microsoft windows server, and is managed on-premise.

The City manages a Microsoft based software infrastructure, and a secure network utilizing Cisco and Fortinet equipment. The phone system is Avaya VoIP solution. Various departmental solutions are based on third party vendor products that are either in-house, Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and/or virtualized platform (Nutanix).

The major Tyler Munis software modules implemented by the City and those to be implemented in the future are the following:

### **Implemented:**

#### **Financials:**

- Accounting/General Ledger/Budget/Accounts Payable
- Capital Assets
- Project and Grants Accounting
- Purchasing

#### **Human Capital Management:**

- Talent Management
- Payroll

#### **Other Software and Related Services:**

- Tyler Forms
- Tyler Content Manager
- Munis Analytics and Reporting
- Tyler Disaster Recovery Service

### **To be implemented:**

#### **Revenue:**

- Accounts Receivable
- General Billing
- Tyler Cashiering

#### **Other Software and Related Services:**

- Time and Attendance

**Human Capital Management:**

- Payroll with Employee Self Service (ESS)

**7. Finance Operations**

The Finance Department is headed by the Director of Finance, Henry Oyekanmi, and consists of 56 employees approved in the FY 2023 Adopted Budget (38 filled and 18 unfilled positions). The Department is organized into the following divisions:

1. Office of the Director and Finance Administration (Including Systems Accountant, Senior Systems Analyst and Information System Specialist)
2. Treasury
3. General Services
4. Accounting (Including the Accounts Payable Unit)
5. Revenue Collection

**5. Fund Structure**

The City of Berkeley uses the following fund types in its external financial reporting:

Fund Type	Number of Individual Funds
General Fund	1
Library Special Revenue-Major Fund	1
Grants Special Revenue Fund-Major Fund	1
Non-Major Special Revenue Funds	60
Non-major Debt Service Funds	11
Capital Improvement Capital Projects Fund-Major Fund	1
Measure O Housing Bond Capital Projects Fund-Major Fund	1
Non-Major Capital Projects Funds	11
Enterprise Funds-All Major Funds	8
Internal Service Funds	9
Pension Trust Funds	2
OPEB Trust Funds	3
Custodial Funds	12
Special Revenue Component Unit	1
<b>Total</b>	<b>122</b>

**6. Budgetary Basis of Accounting**

The City of Berkeley prepares a biennial budget on a basis that is inconsistent with generally accepted accounting principles (GAAP). The primary difference between the budget basis of accounting and GAAP basis of accounting is that under the budget basis, revenues are accounted for on the cash basis.

**7. Expenditure of Federal Awards**

A copy of the FY 2021 Schedule of Expenditures of Federal Awards (SEFA) is attached to this RFP as Exhibit A. There were 49 individual federal awards and a total of \$21,878,492 in total federal awards expended.

**8. Pension and OPEB Plans**

**A. Pension Plans:**

(1) CalPERS Pension Plans:

The City participates in the California Public Employees’ Retirement System (CalPERS), an agent multiple-employer public employees retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Following is pertinent information on the City’s plans:

CalPERS PLAN 1	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Covered Employees
Miscellaneous	\$1,150,466,172	\$946,389,527	\$204,076,645	3,861
Fire	299,157,455	248,128,384	51,029,071	395
Police	463,555,530	332,552,929	131,002,601	576

<sup>1</sup>-June 30,2020 valuation date and June 30, 2021 measurement date.

(2) City Sponsored Pension Plans:

The City sponsors two single-employer pension plans. Following is pertinent information on the City-sponsored plans:

The Police Employees Retirement Income plan is a single-employer retiree defined income benefit plan for police employees who retired from the City on or after July 1, 1989, who were also vested in a CalPERS pension, who had 10 years of service with the Berkeley Police Department, and retired from the City on or after age 50.

The Safety Members Pension Fund (SMPF) is a single-employer defined benefit pension plan for fire and police officers that retired before March 1973. In March 1973, all active fire and police officers were transferred from SMPF to CalPERS.

City Sponsored PLAN	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Covered Employees
Police Employees Retirement Income 2	\$64,814,093	\$4,629,686	\$60,184,407	148
Safety Members Pension	1,134,809	0	1,134,809	6

<sup>2</sup>-June 30,2021 valuation date and June 30, 2022 measurement date.

**B. OPEB Plans:**

The City has three single-employer other post-employment benefit (OPEB) plans (Miscellaneous, Fire and Police) that provide retiree health benefits to eligible retirees. Following is some pertinent information on the City’s OPEB plans:

OPEB PLAN 2	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Covered Employees
Miscellaneous	\$59,184,799	\$29,714,055	\$29,470,744	1,669
Fire	30,276,552	11,768,942	18,507,610	226
Police	34,578,577	2,148,963	32,429,614	199

2-June 30,2021 valuation date and June 30, 2022 measurement date.

The City has also established three separate Supplemental Retirement and Income Plans (SRIP):

**SRIP I:** Enacted by Berkeley Municipal Code Chapter 4.36.101 et seq. The SRIP I plan consists of two components: 1) a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code, and 2) an employer paid disability benefit.

**Money Purchase Pension Plan:** The plan is a defined contribution plan whereby the City contributes 5.7% of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account and 1% of salary up to a salary of \$32,400 into a disability reserve account for each covered employee (all permanent City employees). The total assets of SRIP I available for benefits at June 30, 2022, was \$6,193,509, which was comprised of participant accounts, in the amount of \$6,193,509. These assets are the property of the individual account holders and not the property of the City. These assets cannot be used to pay disability benefits. Benefits are payable for the disabled participant’s lifetime or until recovery from disability. The third-party administrator is Cigna.

**Disability Benefit:** Currently, the City pays the monthly cost of the monthly disability benefits on a pay-as-you-go basis. There were a total of 54 closed groups of participants, 6 active employees and 48 disabled participants receiving benefits. The unfunded liability for SRIP I at July 1, 2008, the date of the last actuarial study, was \$11,545,000. For FY2022, the City paid total SRIP 1 disability payments of \$1,170,661.

**SRIP II:** On July 22, 1988, Ordinance No. 5900-N.S., which was codified in the Berkeley Municipal Code under Chapter 4.38.101 et seq., established SRIP II, a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution money purchase pension plan, whereby the City contributes 6.7% of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for each eligible employee. Enrollment in the plan is mandatory for all eligible persons hired on or after July 22, 1988, and elective for those eligible and hired prior to July 22, 1988.

**SRIP III:** Effective January 1, 1989, the City established SRIP III, which was codified in the Berkeley Municipal Code under Chapter 4.39.101 et seq., a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution plan, whereby the City contributes 2% of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for all sworn police officers except the Police Chief.

The total assets of SRIP II and SRIP III available for benefits at June 30, 2022 were \$72,611,210, and there were 2,585 participants.

SRIP I and SRIP II cover non-sworn employees. SRIP III covers Police personnel except for the Police Chief who is included in SRIP II.

The City also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457.

**9. Component Units**

The City of Berkeley identified the following component unit for inclusion in the Comprehensive Annual Financial Report for FY 2022:

Discretely Presented Component Unit

- The Rent Stabilization Board is responsible for (1) the proper administration of programs to regulate residential rents; (2) protecting tenants from unwarranted rent increases and arbitrary, discriminatory or retaliatory evictions; (3) helping maintain the diversity of the Berkeley community; and (4) ensuring compliance with legal obligations relating to the rental of housing. The nine-member Board of Commissioners is elected by the citizens.

**10. Availability of Prior Reports and Working Papers**

The City has received an unqualified/unmodified opinion for the past 33 years, and an unmodified opinion is anticipated for Fiscal Year 2023. Review of the working papers may be arranged with the following firm that conducted the audits for FY 2018 through FY 2022:

Badawi & Associates  
2855 Telegraph Avenue, Suite 312  
Berkeley, California 94705  
510-768-8245

**I. Deliverable Due Dates**

**1. Date Audit May Commence**

The preliminary audit work prior to the closing of the accounts may commence after the award of the contract.

**2. Dates Final Reports are Due**

11/30/23

The external auditors are to deliver to Henry Oyekanmi, Director of Finance, the audit report on the Annual Comprehensive financial Report (ACFR) for the City;

The audit report and stand-alone financial statements for the Rent Stabilization Board by January 15<sup>th</sup>.

**3. Date First Management Letter Is Due**

1/31/24

The external auditors are to deliver the Management Letter to the City Manager and Finance Director by December 31<sup>st</sup>.and, to the Mayor's Audit Committee, with draft responses, by January 31<sup>st</sup>. However, if there are any findings to be included in the City's Annual Comprehensive Financial Report (ACFR), they must be communicated in writing to the City Manager and Finance Director by November 5<sup>th</sup> and to the Mayor's Audit Committee (with draft responses) by November 15<sup>th</sup>.

**4. Date First Single Audit Report Is Due** 3/31/24

The external auditors are to deliver the Single Audit Report as follows:

- A draft to the City Manager and Director of Finance, by February 15<sup>th</sup>;
- A draft to the Mayor's Audit Committee by March 15<sup>th</sup>; and
- The final Single Audit Report to the Federal Audit Clearinghouse by March 31<sup>st</sup>.

**J. Assistance to be Provided to the External Auditor**

**1. General Finance Department Clerical Assistance**

Finance Department staff will be available during the audit to assist the firm by providing information, documentation, and explanations. The retrieval of documents for test samples and the re-filing of those will be the responsibility of the external auditor. The preparation of confirmations will be the responsibility of the external auditor.

**2. Assistance from Finance Department Systems Accountant**

The Systems Accountant will provide the external auditor with the following assistance:

- a. Network and FUNDS\$ access
- b. Questions about the Tyler Munis financial systems; an overview of inquiry data; available reports; explanations about how the different applications work together; and work with the Accounting application.
- c. Design of special query reports, as determined by criteria established by the external auditor, to extract sampling data.

The external auditor will be provided access to the computer for viewing purposes.

**3. Statements and Schedules to be Prepared by the Staff of the City of Berkeley**

The staff of the City will prepare the statements and schedules necessary to support the individual fund statements. Additional statements and schedules will be prepared by the City upon mutual consent of the City and the external auditor. The date the final trial balance will be available will be no later than October 31<sup>st</sup>. of each year, or a date mutually agreed upon by the external auditor and the Accounting Manager, as approved by the Director of Finance.

**4. Work Area, Telephone, Photocopying and FAX Machines**

The City of Berkeley will provide the external auditor with reasonable workspace, desks, and chairs. The external auditor will also be provided with access to telephone lines, photocopying machines, and FAX machines. A log of any long-distance calls that are not related directly to the City of Berkeley will be kept by the external auditors and billed to the external auditors on a cost reimbursement basis.

### III. SUBMISSION REQUIREMENTS

All proposals shall include the following information, organized as separate sections of the proposal. The proposal should be concise and to the point.

1. Contractor Identification:

Provide the name of the firm, the firm's principal place of business (see section VII, F. – Local Vendor Preference), the name and telephone number of the contact person and company tax identification number.

2. Client References:

Provide a minimum of *three (3)* client references. References should be California cities or other large public sector entities. Provide the designated person's name, title, organization, address, telephone number, email, and the project(s) that were completed under that client's direction.

3. Price Proposal:

The proposal shall include pricing for all services. Pricing shall be all inclusive unless indicated otherwise. Pricing proposals shall be a separate document. The Proposal shall itemize all services, including hourly rates for all professional, technical and support personnel, and all other charges related to completion of the work shall be itemized. Evaluation of price proposals are subject to the local vendor business preference (see section VII.F.)

4. Contract Terminations:

**If your organization has had a contract terminated in the last five (5) years, describe such incident.**

Termination for default is defined as notice to stop performance due to the vendor's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the vendor, or (b) litigated and such litigation determined that the vendor was in default.

Submit full details of the terms for default including the other party's name, address, and phone number. Present the vendor's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience.

If the firm has not experienced any such termination for default or early termination in the past five (5) years, so indicate.

5. Technical Proposal

A PDF of a Technical Proposal, including the following:

a. Title Page

Show the RFP subject, the name of proposer's firm, local address, telephone number, name of contact person, and the date of the proposal.

b. Table of Contents

Include a clear identification of material by section and by page number.

c. Letter of Transmittal

Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.

Give the names of the persons who will be authorized to make representations for the proposer, their titles, addresses and telephone numbers.

d. Detailed Proposal

The detailed proposal should follow the order set forth in Section III of this request for proposal.

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Berkeley, in conformity with the requirements of this request for proposals. 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. It should also specify an audit approach that will meet the request for proposal requirements.

The Technical Proposal should address all the points outlined in the request for proposals. The Technical Proposal should be prepared simply and economically, and should provide a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

1. License to Practice in the State of California

The proposer must be properly licensed for public practice as a Certified Public Accountant in the State of California.

2. Independence

The proposer should provide an affirmative statement that it is independent of the City of Berkeley and Rent Stabilization Board as defined by the U.S. Governmental Accountability Office's Government Auditing Standards (2018 edition).

3. Business License

The external auditor selected must possess a City of Berkeley business license while conducting work under this contract.

4. Firm Qualifications and Experience

- a. The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture, the qualifications of each firm comprising the joint venture must be separately identified, and the firm that is to serve as the principal external auditor should be noted. Those firms planning a joint venture are encouraged to consider Berkeley CPA firms.

- b. The proposer is also required to submit a copy of the report on its most recent external quality control review (i.e., peer review), with a statement about whether that quality control review included a review of specific government engagements.

The proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the proposer 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.

Additionally, this section shall include a listing of any lawsuits or litigation and the result of that action resulting from (a) any public project undertaken by the proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the proposer or its insurers within the last five years.

5. Partner, Supervisory and Staff Qualifications and Experience

- a. Identify the principal supervisory and management staff that will be assigned to the engagement and the approximate number of hours they will spend on the engagement. Please indicate whether each such person is licensed to practice as a Certified Public Accountant in California. Also, 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.

Indicate any complaints against them that have been leveled by the State Board of Accountancy or other regulatory authority. If applicable, please indicate any corrective actions that have been taken by the firm with respect to these individuals.

- b. Please identify the individual who will perform the review of the City's information system operations. Provide information regarding their qualifications, experience and training.
- c. Provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff will be assured over the term of the agreement. Describe the firm's policy on staff and management rotation or continuity on audit engagements.
- d. Indicate principal supervisory and management staff, including engagement partners, managers, other supervisor and specialists who may be changed during the course of the agreement. However, the City of Berkeley reserves the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the City of Berkeley

The proposer should list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the City of Berkeley by type of engagement (e.g., audit, management advisory services, other). For each engagement, the proposer should indicate the scope of work, date, engagement partners, total hours, the location of the proposer's office from which the engagement was performed, and the name of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 7) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the nature and telephone number of the principal client contact.

8. Audit Approach, Techniques and Schedules to be Used

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. Proposers will be required to provide the following information on their audit approach:

- a. Include a full description of the major tasks and subtasks to be performed. This section of the proposal will establish that the proposer understands the City's objectives and work requirements, and documents the proposer's ability to satisfy those objectives and requirements. Clearly describe the proposed approach to providing the required scope of services and meeting the City's time schedule.

- b. Level of staff and number of hours to be assigned to each task and subtask of the engagement. Key engagement members shall be identified by name, position, and specific responsibilities on the engagement. Resumes of key personnel shall be included.
  - c. Approach to be taken to gain and document an understanding of the City of Berkeley's internal control structure.
  - d. Approach used to assess control risk in a local government.
  - e. Approach to be taken in determining laws and regulations that will be subject to audit test work
  - f. The extent to which statistical sampling is to be used in the engagement.
  - g. The firm's approach to information systems on the engagement.
  - h. Type and extent of analytical procedures to be used in the engagement.
  - i. The communication process that the firm will use to discuss issues with the staff, management and Mayor's audit committee of the City.
9. Total all-inclusive Maximum Price:

The proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

The City may also desire to engage the Auditor for additional services outside of this scope. For example; the City might engage the Auditor to audit specific programs such as Measures passed by Berkeley Citizens. To that end, the auditor should include hourly rates for all professional, technical and support personnel, and all other charges related to completion of any additional scopes of work not detailed above.

The City also desires some training for non-accounting staff in the departments regarding the preparation for the Single Audit (e.g., how the auditors choose the sample sizes, what to expect from the auditors, best practices in handling grant files, etc.)

Please indicate if your firm would be willing to provide this training? If so, what will the cost to the City be, if any?

In the future, the City desires to have the financial audit completed by October 31<sup>st</sup>. (and the ACFR submitted at that time). How can your firm assist the City in achieving this objective?

10. Scope Section

Define and describe the scope of services to be provided, in terms of the matters discussed in the following:

The examination will be made in accordance with generally accepted auditing standards. Generally accepted auditing standards are included in Statements on Auditing Standards published by the American Institute of Certified Public Accountants and in the U.S. Governmental Accountability Office's (GAO) Governmental Auditing Standards (2018 edition). The primary purpose of the examination is subject to the inherent risk that errors or irregularities may not be detected.

If conditions are discovered which lead to the belief that material error, defalcations or other irregularities may exist, or if any other circumstances are encountered that require extended services, the external auditor will promptly advise the City Manager. Fees for any extended procedures must be authorized in advance by the City.

11. Additional Data/ Proposal Exceptions

Since data not specifically requested must not be included in the foregoing proposal sections, provide any additional information considered essential to the proposal in this section. If there

is no additional information to present, state in this section. "There is no additional information we wish to present."

Also include in this section any exceptions or requested changes that the proposer has to the City's RFP conditions and requirements. If there are no exceptions noted, it is assumed that the proposer accepts all conditions and requirements of the RFP. Items not excepted will not be open to later negotiation.

For providing the services proposed, submit maximum fee proposals for all requested services. This will include the individual fee for each task as well as a total maximum fee for all tasks. Include the estimated total hours, the estimated out-of-pocket costs, and the resulting all-inclusive maximum fee. Please separately identify the hours and audit fees for the Rent Stabilization Board.

12. Proposals shall include a statement of review and compliance with Berkeley Municipal Code Chapter 13.96 BMC, Disclosure of Historical Commerce in Slavery by Certain City Contractors <https://berkeley.municipal.codes/BMC/13.96>

#### **IV. SELECTION CRITERIA**

The following criteria will be considered, although not exclusively, in evaluating proposals.

- |                           |     |
|---------------------------|-----|
| 1. Project Approach       | 25% |
| 2. Expertise & References | 50% |
| 3. Costs*                 | 25% |

Award will be made to the Proposer offering the most advantageous proposal after consideration of all the Evaluation Criteria set forth.

##### **A. Evaluation Committee**

The Mayor and/or the Mayor's Audit Committee will evaluate submitted proposals. City staff will participate as required. Proposals will be evaluated on the basis of their response to all provisions of this RFP. Following are the major evaluation criteria that will be used; however, the order in which they appear is not intended to reflect their relative importance.

##### **B. Review of Written Proposals**

1. Identify Proposers Who Meet Minimum Qualifications

The Mayor and/or his Audit Committee will review proposals and determine which firms meet the following minimum qualifications:

- a. Independence
- b. License to Practice
- c. CPE requirements for Government Auditors
- d. No conflict of interests
- e. Completeness of the proposal

2. Select up to five (5) proposers who best meet the technical qualifications using the following criteria:
  - a. Expertise and Experience
    1. The firm's past experience and performance on audits of a similar nature, size, and complexity;
    2. The experience and qualifications of the firm's professional personnel to be assigned to the engagement and commitment to keeping the same team assigned to this audit for each successive year that the firm is awarded the contract;
    3. Ability to perform the work within the time specified; and,
    4. Proposer's prior record of performance with the City and/or others.
  - b. Audit Approach
    1. Adequacy of staffing plan;
    2. Adequacy of sampling techniques;
    3. Adequacy of analytical procedures;
    4. Adequacy of the approach to documenting an understanding of the City's internal control structure and assessing control risk;
    5. Adequacy of approach to audit plan for computer controls; and,
    6. Clear understanding of the work to be performed and demonstrated ability to do the work on a timely basis.
  - c. Planned hours and level of staff used for each major task.
  - d. Cost Proposal

The proposal shall be prepared and submitted in accordance with the provisions of the RFP instructions and specifications. Any alteration, omissions, additions, or variances may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

### **C. Oral Presentations**

Those proposers selected as best qualified on the basis of written proposals will be invited to make an oral presentation to the Mayor and/or his designated Audit Committee. In addition to any prepared presentation, the proposer should be prepared to answer any questions that the Mayor or his Committee may have on the proposals.

### **D. Negotiation with Provider**

Proposers are cautioned to submit their proposals initially on the most favorable basis, price, and terms included, since an award may be made without negotiation based on the fee, qualifications, and terms of the proposals as initially submitted; although the City of Berkeley specifically reserves the right to negotiate with any proposer(s). The proposal of the successful firm will be incorporated as part of the contract.

The contract shall be for a total period of three (3) or five (5) years, subject to an annual review and determination of the Mayor in consultation with the City Manager.

### **E. Rights of the City of Berkeley**

The RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in the preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent RFPs;
- Remedy technical errors in the RFP process;
- Approve or disapprove the use of joint venture partners;
- Negotiate with any, all, or none of the proposers;
- Accept a proposer who does not submit the lowest offer;
- Waive informalities and irregularities in the proposals; and
- Enter into an agreement with another proposer in the event the originally selected proposer fails to execute an agreement or fails to perform under the terms of the contract.

### **F. Final Selection**

**The Mayor will select a firm by April 15, 2023. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 30, 2023.**

### **V. PAYMENT**

**Invoices:** Invoices must be fully itemized, and provide sufficient information for approving payment and audit. Invoices must be accompanied by receipt for services in order for payment to be processed. **Email invoices to Accounts Payable and cc' Project Manager email, to be provided;** and reference the contract number.

City of Berkeley  
Accounts Payable  
P.O. Box 700  
Berkeley, CA 94710-700  
Email: [AccountsPayable@cityofberkeley.info](mailto:AccountsPayable@cityofberkeley.info)  
Phone: 510-981-7310

**Payments:** The City will make payment to the vendor within 30 days of receipt of a correct, approved and complete invoice.

## VI. CITY REQUIREMENTS

### A. Non-Discrimination Requirements:

Ordinance No. 5876-N.S. codified in B.M.C. Chapter 13.26 states that, for contracts worth more than \$3,000 bids for supplies or bids or proposals for services shall include a completed Workforce Composition Form. Businesses with fewer than five employees are exempt from submitting this form. (See B.M.C. 13.26.030)

Under B.M.C. section 13.26.060, the City may require any bidder or vendor it believes may have discriminated to submit a Non-Discrimination Program. The Contract Compliance Officer will make this determination. This applies to all contracts and all consultants (contractors). Berkeley Municipal Code section 13.26.070 requires that all contracts with the City contain a non-discrimination clause, in which the contractor agrees not to discriminate and allows the City access to records necessary to monitor compliance. This section also applies to all contracts and all consultants. **Bidders must submit the attached Non-Discrimination Disclosure Form with their proposal.**

### B. Nuclear Free Berkeley Disclosure Form:

Berkeley Municipal Code section 12.90.070 prohibits the City from granting contracts to companies that knowingly engage in work for nuclear weapons. This contracting prohibition may be waived if the City Council determines that no reasonable alternative exists to doing business with a company that engages in nuclear weapons work. If your company engages in work for nuclear weapons, explain on the Disclosure Form the nature of such work. **Bidders must submit the attached Nuclear Free Disclosure Form with their proposal.**

### C. Oppressive States:

The City of Berkeley prohibits granting of contracts to firms that knowingly provide personal services to specified Countries. This contracting prohibition may be waived if the City Council determines that no reasonable alternative exists to doing business with a company that is covered by City Council Resolution Nos. 59,853-N.S., 60,382-N.S., and 70,606-N.S. If your company or any subsidiary is covered, explain on the Disclosure Form the nature of such work.

**Bidders must submit the attached Oppressive States Disclosure Form with their proposal.**

### D. Sanctuary City Contracting Ordinance:

Chapter 13.105 of the Berkeley Municipal Code prohibits the City from granting and or retaining contracts with any person or entity that provides Data Broker or Extreme Vetting services to the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security ("ICE"). **Bidders must submit the attached Sanctuary City Compliance Statement with their proposal.**

### E. Conflict of Interest:

In the sole judgment of the City, any and all proposals are subject to disqualification on the basis of a conflict of interest. The City may not contract with a vendor if the vendor or an employee, officer or director of the proposer's firm, or any immediate family member of the preceding, has served as an elected official, employee, board or commission member of the City who influences the making of the contract or has a direct or indirect interest in the contract.

Furthermore, the City may not contract with any vendor whose income, investment, or real property interest may be affected by the contract. The City, at its sole option, may disqualify any proposal on the basis of such a conflict of interest. **Please identify any person associated with the firm that has a potential conflict of interest.**

**F. Berkeley Living Wage Ordinance:**

Chapter 13.27 of the Berkeley Municipal Code requires that contractors offer all eligible employees with City mandated minimum compensation during the term of any contract that may be awarded by the City. If the Contractor is not currently subject to the Living Wage Ordinance, cumulative contracts with the City within a one-year period may subject Contractor to the requirements under B.M.C. Chapter 13.27. A certification of compliance with this ordinance will be required upon execution of a contract. The current Living Wage rate can be found here: [Information for Vendors | City of Berkeley \(berkeleyca.gov\)](https://www.berkeleyca.gov/information-for-vendors). The Living Wage rate is adjusted automatically effective June 30<sup>th</sup> of each year commensurate with the corresponding increase in the Consumer Price Index published in April of each year. If the Living Wage rate is adjusted during the term of your agreement, you must pay the new adjusted rate to all eligible employees, regardless of what the rate was when the contract was executed.

**G. Berkeley Equal Benefits Ordinance:**

Chapter 13.29 of the Berkeley Municipal Code requires that contractors offer domestic partners the same access to benefits that are available to spouses. A certification of compliance with this ordinance will be required upon execution of a contract.

**H. Statement of Economic Interest:**

The City's Conflict of Interest Code designates "consultants" as a category of persons who must complete Form 700, Statement of Economic Interest, at the beginning of the contract period and again at the termination of the contract. The selected contractor will be required to complete the Form 700 before work may begin.

**VII. OTHER REQUIREMENTS**

**A. Insurance**

The selected contractor will be required to maintain general liability insurance in the minimum amount of \$2,000,000, automobile liability insurance in the minimum amount of \$1,000,000 and a professional liability insurance policy in the amount of \$2,000,000 to cover any claims arising out of the performance of the contract. The general liability and automobile insurance must name the City, its officers, agents, volunteers and employees as additional insured.

**B. Worker's Compensation Insurance:**

A selected contractor who employs any person shall maintain workers' compensation insurance in accordance with state requirements. Sole proprietors with no employees are not required to carry Worker's Compensation Insurance.

**C. Business License**

Virtually every contractor that does business with the City must obtain a City business license as mandated by B.M.C. Ch. 9.04. The business license requirement applies whether or not the contractor has an office within the City limits. However, a "casual" or "isolated" business transaction (B.M.C. section 9.04.010) does not subject the contractor to the license tax. Warehousing businesses and charitable organizations are the only entities specifically exempted in the code from the license requirement (see B.M.C. sections, 9.04.295 and 9.04.300). Non-profit organizations are granted partial exemptions (see B.M.C. section 9.04.305). Persons who, by reason of physical infirmity, unavoidable misfortune, or unavoidable poverty, may be granted an exemption of one annual free license at the discretion of the Director of Finance. (See B.M.C. sections 9.04.290).

Vendor must apply for a City business license and show proof of application to Contract Administrator within seven days of being selected as intended contractor.

The Customer Service Division of the Finance Department located at 1947 Center Street, Berkeley, CA 94704, issues business licenses. Contractors should contact this division for questions and/or information on obtaining a City business license, in person, or by calling 510-981-7200.

**D. Recycled Paper**

**Any printed reports for the City required during the performance of the work shall be on 100% recycled paper, and shall be *printed on both sides of the page* whenever practical.**

**E. State Prevailing Wage:**

Certain labor categories under this project may be subject to prevailing wages as identified in the State of California Labor Code commencing in Section 1770 et seq. These labor categories, when employed for any “work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work,” constitute a “Public Work” within the definition of Section 1720(a)(1) of the California Labor Code requiring payment of prevailing wages.

Wage information is available through the California Division of Industrial Relations web site at: [http://www.dir.ca.gov/OPRL/statistics\\_and\\_databases.html](http://www.dir.ca.gov/OPRL/statistics_and_databases.html)

**F. Local Vendor Preference**

***City of Berkeley applies a local vendor preference for comparing RFP responses (City Council Resolution No. 69,890-N.S.)***

Within the limitations of that resolution, pricing proposals submitted by local business will be deducted by 5% for evaluation purposes. A **local business** is defined as “a business firm with fixed offices or distribution points located within the City of Berkeley boundaries and listed in the Permits and License Tax paid file, with a Berkeley business street address.”

**VIII. SCHEDULE (Dates are subject to change)**

- |  |                             |
|--|-----------------------------|
| <input type="checkbox"/> Issue RFP to Potential Bidders:           | Monday, January 9, 2023     |
| <input type="checkbox"/> Questions Due                             | Thursday, January 26, 2023  |
| <input type="checkbox"/> Answers posted by or before               | Thursday, February 2, 2023  |
| <input type="checkbox"/> Proposals Due from Potential Bidders      | Thursday, February 16, 2023 |
| <input type="checkbox"/> Complete Selection Process                | April 15, 2023              |
| <input type="checkbox"/> Council Approval of Contract (over \$50k) | following selection         |
| <input type="checkbox"/> Award of Contract                         | following Council approval  |
| <input type="checkbox"/> Sign and Process Contract                 | June 30, 2023               |
| <input type="checkbox"/> Notice to Proceed                         | following contract signing  |

Thank you for your interest in working with the City of Berkeley for this service. We look forward to receiving your proposal.

Attachments:

- Check List of Required items for Submittal Attachment A
- Non-Discrimination/Workforce Composition Form Attachment B
- Nuclear Free Disclosure Form Attachment C
- Oppressive States Form Attachment D
- Sanctuary City Compliance Statement Attachment E
- Living Wage Form Attachment F
- Equal Benefits Certification of Compliance Attachment G
- Right to Audit Form Attachment H
- Insurance Endorsement Attachment I

## ATTACHMENT A

### CHECKLIST

- One (1) PDF of proposal response including:
  - Proposal describing project approach based on the RFP scope
  - Contractor Identification and Company Information
  - Client References
  - Any other items to substantiate your response*
- One separate attachment for:
  - Cost proposal by task, type of service & personnel, aligned with the scope as described
- The following forms, completed and **signed** (attached):
  - Non-Discrimination/Workforce Composition Form Attachment B
  - Nuclear Free Disclosure Form Attachment C
  - Oppressive States Form Attachment D
  - Sanctuary City Compliance Statement Attachment E
  - Living Wage Form Attachment F
  - Equal Benefits Certification (EBO-1) Attachment G

### **ADDITIONAL SUBMITTALS REQUIRED FROM SELECTED VENDOR AFTER COUNCIL APPROVAL TO AWARD CONTRACT.**

- Provide **original-signed in blue ink** Evidence of Insurance
  - Auto
  - Liability
  - Worker's Compensation
- Right to Audit Form Attachment H
- Commercial General & Automobile Liability Endorsement Form Attachment I
- Berkeley Business License (Current Year Certificate)

**For informational purposes only: Sample of Personal Services Contract can be found on the City's website on the current bid and proposal page at the top of the page.**

**NON-DISCRIMINATION/WORKFORCE COMPOSITION FORM FOR NON-CONSTRUCTION CONTRACTS**

To assist the City of Berkeley in implementing its Non-Discrimination policy, it is requested that you furnish information regarding your personnel as requested below and return it to the City Department handling your contract:

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Business Lic. # (if your firm has an active license): \_\_\_\_\_

Occupational Category: (See reverse side for explanation of terms)	Total Employees		White Employees		Black Employees		Asian Employees		Hispanic Employees		Other Employees	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Official/Administrators												
Professionals												
Technicians												
Protective Service Workers												
Para-Professionals												
Office/Clerical												
Skilled Craft Workers												
Service/Maintenance												
Other (specify)												
Totals:												

Is your business MBE/WBE/DBE certified? Yes: \_\_\_\_\_ No: \_\_\_\_\_ If yes, by what agency? \_\_\_\_\_

If yes, please specify: Male: \_\_\_\_\_ Female: \_\_\_\_\_ Indicate ethnic identifications: \_\_\_\_\_

Do you have a Non-Discrimination policy? Yes: \_\_\_\_\_ No: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Verified by: \_\_\_\_\_ Date: \_\_\_\_\_

City of Berkeley Contract Compliance Officer

Contract Description/Specification No: **External Audit Services / 23-11559-C**

**Attachment B** (page 1)

## Occupational Categories

**Officials and Administrators** - Occupations in which employees set broad policies, exercise overall responsibility for execution of these policies, or provide specialized consultation on a regional, district or area basis. Includes: department heads, bureau chiefs, division chiefs, directors, deputy superintendents, unit supervisors and kindred workers.

**Professionals** - Occupations that require specialized and theoretical knowledge that is usually acquired through college training or through work experience and other training that provides comparable knowledge. Includes: personnel and labor relations workers, social workers, doctors, psychologists, registered nurses, economists, dietitians, lawyers, systems analysts, accountants, engineers, employment and vocational rehabilitation counselors, teachers or instructors, and kindred workers.

**Technicians** - Occupations that require a combination of basic scientific or technical knowledge and manual skill that can be obtained through specialized post-secondary school education or through equivalent on-the-job training. Includes: computer programmers and operators, technical illustrators, highway technicians, technicians (medical, dental, electronic, physical sciences) and kindred workers.

**Protective Service Workers** - Occupations in which workers are entrusted with public safety, security and protection from destructive forces. Includes: police officers, fire fighters, guards, sheriffs, bailiffs, correctional officers, detectives, marshals, harbor patrol officers, and kindred workers.

**Para-Professionals** - Occupations in which workers perform some of the duties of a professional or technician in a supportive role, which usually requires less formal training and/or experience normally required for professional or technical status. Such positions may fall within an identified pattern of a staff development and promotion under a "New Transporters" concept. Includes: library assistants, research assistants, medical aides, child support workers, police auxiliary, welfare service aides, recreation assistants, homemaker aides, home health aides, and kindred workers.

**Office and Clerical** - Occupations in which workers are responsible for internal and external communication, recording and retrieval of data and/or information and other paperwork required in an office. Includes: bookkeepers, messengers, office machine operators, clerk-typists, stenographers, court transcribers, hearings reporters, statistical clerks, dispatchers, license distributors, payroll clerks, and kindred workers.

**Skilled Craft Workers** - Occupations in which workers perform jobs which require special manual skill and a thorough and comprehensive knowledge of the processes involved in the work which is acquired through on-the-job training and experience or through apprenticeship or other formal training programs. Includes: mechanics and repairpersons, electricians, heavy equipment operators, stationary engineers, skilled machining occupations, carpenters, compositors and typesetters, and kindred workers.

**Service/Maintenance** - Occupations in which workers perform duties which result in or contribute to the comfort, convenience, hygiene or safety of the general public or which contribute to the upkeep and care of buildings, facilities or grounds of public property. Workers in this group may operate machinery. Includes: chauffeurs, laundry and dry-cleaning operatives, truck drivers, bus drivers, garage laborers, custodial personnel, gardeners and groundskeepers, refuse collectors, and construction laborers.

Contract Description/Specification No: **External Audit Services / 23-11559-C**

**Attachment B** (page 2)

**CITY OF BERKELEY**  
**Nuclear Free Zone Disclosure Form**

I (we) certify that:

1. I am (we are) fully cognizant of any and all contracts held, products made or otherwise handled by this business entity, and of any such that are anticipated to be entered into, produced or handled for the duration of its contract(s) with the City of Berkeley. (To this end, more than one individual may sign this disclosure form, if a description of which type of contracts each individual is cognizant is attached.)
2. I (we) understand that Section 12.90.070 of the Nuclear Free Berkeley Act (Berkeley Municipal Code Ch. 12.90; Ordinance No. 5784-N.S.) prohibits the City of Berkeley from contracting with any person or business that knowingly engages in work for nuclear weapons.
3. I (we) understand the meaning of the following terms as set forth in Berkeley Municipal Code Section 12.90.130:

"Work for nuclear weapons" is any work the purpose of which is the development, testing, production, maintenance or storage of nuclear weapons or the components of nuclear weapons; or any secret or classified research or evaluation of nuclear weapons; or any operation, management or administration of such work.

"Nuclear weapon" is any device, the intended explosion of which results from the energy released by reactions involving atomic nuclei, either fission or fusion or both. This definition of nuclear weapons includes the means of transporting, guiding, propelling or triggering the weapon if and only if such means is destroyed or rendered useless in the normal propelling, triggering, or detonation of the weapon.

"Component of a nuclear weapon" is any device, radioactive or non-radioactive, the primary intended function of which is to contribute to the operation of a nuclear weapon (or be a part of a nuclear weapon).

4. Neither this business entity nor its parent nor any of its subsidiaries engages in work for nuclear weapons or anticipates entering into such work for the duration of its contract(s) with the City of Berkeley.

Based on the foregoing, the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Business Entity: \_\_\_\_\_

Contract Description/Specification No: **External Audit Services / 23-11559-C**

**Attachment C**

**CITY OF BERKELEY**  
**Oppressive States Compliance Statement**

The undersigned, an authorized agent of \_\_\_\_\_ (hereafter "Vendor"), has had an opportunity to review the requirements of Berkeley City Council Resolutions 59,853-N.S., 60,382-N.S., and 70,606-N.S., (hereafter "Resolutions"). Vendor understands and agrees that the City may choose with whom it will maintain business relations and may refrain from contracting with those Business Entities which maintain business relationships with morally repugnant regimes. Vendor understands the meaning of the following terms used in the Resolution:

"Business Entity" means "any individual, firm, partnership, corporation, association or any other commercial organization, including parent-entities and wholly-owned subsidiaries" (to the extent that their operations are related to the purpose of the contract with the City).

"Oppressive State" means: **Tibet Autonomous Region and the Provinces of Abo, Kham and U-Tsang; and Burma (Myanmar).**

"Personal Services" means "the performance of any work or labor and shall also include acting as an independent contractor or providing any consulting advice or assistance, or otherwise acting as an agent pursuant to a contractual relationship."

Contractor understands that it is not eligible to receive or retain a City contract if at the time the contract is executed, or at any time during the term of the contract it provides Personal Services to:

- a. The governing regime in any Oppressive State.
- b. Any business or corporation organized under the authority of the governing regime of any Oppressive State.
- c. Any person for the express purpose of assisting in business operations or trading with any public or private entity located in any Oppressive State.

Vendor further understands and agrees that Vendor's failure to comply with the Resolution shall constitute a default of the contract and the City Manager may terminate the contract and bar Vendor from bidding on future contracts with the City for five (5) years from the effective date of the contract termination.

The undersigned is familiar with, or has made a reasonable effort to become familiar with, Vendor's business structure and the geographic extent of its operations. By executing the Statement, Vendor certifies that it complies with the requirements of the Resolution and that if any time during the term of the contract it ceases to comply, Vendor will promptly notify the City Manager in writing.

Based on the foregoing, the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Business Entity: \_\_\_\_\_

Contract Description/Specification No: **External Audit Services / 23-11559-C**

I am unable to execute this Statement; however, Vendor is exempt under Section VII of the Resolution. I have attached a separate statement explaining the reason(s) Vendor cannot comply and the basis for any requested exemption.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**CITY OF BERKELEY**  
**Sanctuary City Compliance Statement**

The undersigned, an authorized agent of \_\_\_\_\_ (hereafter "Contractor"), has had an opportunity to review the requirements of Berkeley Code Chapter 13.105 (hereafter "Sanctuary City Contracting Ordinance" or "SCCO"). Contractor understands and agrees that the City may choose with whom it will maintain business relations and may refrain from contracting with any person or entity that provides Data Broker or Extreme Vetting services to the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security ("ICE"). Contractor understands the meaning of the following terms used in the SCCO:

- a. "Data Broker" means either of the following:
  - i. The collection of information, including personal information about consumers, from a wide variety of sources for the purposes of reselling such information to their customers, which include both private-sector business and government agencies;
  - ii. The aggregation of data that was collected for another purpose from that for which it is ultimately used.
  
- b. "Extreme Vetting" means data mining, threat modeling, predictive risk analysis, or other similar services." Extreme Vetting does not include:
  - i. The City's computer-network health and performance tools;
  - ii. Cybersecurity capabilities, technologies and systems used by the City of Berkeley Department of Information Technology to predict, monitor for, prevent, and protect technology infrastructure and systems owned and operated by the City of Berkeley from potential cybersecurity events and cyber-forensic based investigations and prosecutions of illegal computer-based activity.

Contractor understands that it is not eligible to receive or retain a City contract if at the time the Contract is executed, or at any time during the term of the Contract, it provides Data Broker or Extreme Vetting services to ICE.

Contractor further understands and agrees that Contractor's failure to comply with the SCCO shall constitute a material default of the Contract and the City Manager may terminate the Contract and bar Contractor from bidding on future contracts with the City for five (5) years from the effective date of the contract termination.

By executing this Statement, Contractor certifies that it complies with the requirements of the SCCO and that if any time during the term of the Contract it ceases to comply, Contractor will promptly notify the City Manager in writing. Any person or entity who knowingly or willingly supplies false information in violation of the SCCO shall be guilty of a misdemeanor and up to a \$1,000 fine.

Based on the foregoing, the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, at \_\_\_\_\_, California.

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Business Entity: \_\_\_\_\_

Contract Description/Specification No: **External Audit Services / 23-11559-C**

**CITY OF BERKELEY**  
**Living Wage Certification for Providers of Services**

**TO BE COMPLETED BY ALL PERSONS OR ENTITIES ENGAGING IN A CONTRACT FOR PERSONAL SERVICES WITH THE CITY OF BERKELEY.**

The Berkeley Municipal Code Chapter 13.27, Berkeley's Living Wage Ordinance (LWO), provides that contractors who engage in a specified amount of business with the City (except where specifically exempted) under contracts which furnish services to or for the City in any twelve (12) month period of time shall comply with all provisions of this Ordinance. The LWO requires a City contractor to provide City mandated minimum compensation to all eligible employees, as defined in the Ordinance. In order to determine whether this contract is subject to the terms of the LWO, please respond to the questions below. Please note that the LWO applies to those contracts where the contractor has achieved a cumulative dollar contracting amount with the City. Therefore, even if the LWO is inapplicable to this contract, subsequent contracts may be subject to compliance with the LWO. Furthermore, the contract may become subject to the LWO if the status of the Contractor's employees' changes (i.e. additional employees are hired) so that Contractor falls within the scope of the Ordinance.

**Section I.**

**1. IF YOU ARE A FOR-PROFIT BUSINESS, PLEASE ANSWER THE FOLLOWING QUESTIONS**

a. During the previous twelve (12) months, have you entered into contracts, **including the present contract**, bid, or proposal, with the City of Berkeley for a **cumulative amount of \$25,000.00 or more?**

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

If **no**, this contract is NOT subject to the requirements of the LWO, and you may continue to Section II. If **yes**, please continue to question **1(b)**.

b. Do you have six (6) or more employees, including part-time and stipend workers?

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

If you have answered, **"YES"** to questions **1(a)** and **1(b)** this contract **IS** subject to the LWO. If you responded "NO" to 1(b) this contract IS NOT subject to the LWO. **Please continue to Section II.**

**2. IF YOU ARE A NON-PROFIT BUSINESS, AS DEFINED BY SECTION 501(C) OF THE INTERNAL REVENUE CODE OF 1954, PLEASE ANSWER THE FOLLOWING QUESTIONS.**

a. During the previous twelve (12) months, have you entered into contracts, including the present contract, bid or proposal, with the City of Berkeley for a cumulative amount of \$100,000.00 or more?

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

If no, this Contract is NOT subject to the requirements of the LWO, and you may continue to Section II. If yes, please continue to question 2(b).

b. Do you have six (6) or more employees, including part-time and stipend workers?

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

If you have answered, **"YES"** to questions **2(a)** and **2(b)** this contract **IS** subject to the LWO. If you responded "NO" to 2(b) this contract IS NOT subject to the LWO. **Please continue to Section II.**

**Section II**

**Please read, complete, and sign the following:**

THIS CONTRACT **IS** SUBJECT TO THE LIVING WAGE ORDINANCE.

THIS CONTRACT **IS NOT** SUBJECT TO THE LIVING WAGE ORDINANCE.

Contract Description/Specification No: **External Audit Services / 23-11559-C**

The undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, hereby certifies that he or she is fully aware of Berkeley's Living Wage Ordinance, and the applicability of the Living Wage Ordinance, and the applicability of the subject contract, as determined herein. The undersigned further agrees to be bound by all of the terms of the Living Wage Ordinance, as mandated in the Berkeley Municipal Code, Chapter 13.27. If, at any time during the term of the contract, the answers to the questions posed herein change so that Contractor would be subject to the LWO, Contractor will promptly notify the City Manager in writing. Contractor further understands and agrees that the failure to comply with the LWO, this certification, or the terms of the Contract as it applies to the LWO, shall constitute a default of the Contract and the City Manager may terminate the contract and bar Contractor from future contracts with the City for five (5) years from the effective date of the Contract termination. If the contractor is a for-profit business and the LWO is applicable to this contract, the contractor must pay a living wage to all employees who spend 25% or more of their compensated time engaged in work directly related to the contract with the City. If the contractor is a non-profit business and the LWO is applicable to this contract, the contractor must pay a living wage to all employees who spend 50% or more of their compensated time engaged in work directly related to the contract with the City.

These statements are made under penalty of perjury under the laws of the state of California.

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Business Entity: \_\_\_\_\_

**Section III**

- 
- **\*\* FOR ADMINISTRATIVE USE ONLY -- PLEASE PRINT CLEARLY \*\***

I have reviewed this Living Wage Certification form, in addition to verifying Contractor's total dollar amount contract commitments with the City in the past twelve (12) months, and determined that this Contract IS / IS NOT (circle one) subject to Berkeley's Living Wage Ordinance.

\_\_\_\_\_  
Department Name

\_\_\_\_\_  
Department Representative

To be completed by  
Contractor/Vendor



**Form EBO-1  
CITY OF BERKELEY**

**CERTIFICATION OF COMPLIANCE WITH EQUAL BENEFITS ORDINANCE**

If you are a **contractor**, return this form to the originating department/project manager. If you are a **vendor** (supplier of goods), return this form to the Purchasing Division of the Finance Dept.

**SECTION 1. CONTRACTOR/VENDOR INFORMATION**

Name:		Vendor No.:	
Address:	City:	State:	ZIP:
Contact Person:		Telephone:	
E-mail Address:		Fax No.:	

**SECTION 2. COMPLIANCE QUESTIONS**

- A. The EBO is inapplicable to this contract because the contractor/vendor has no employees.  
 Yes  No (If "Yes," proceed to Section 5; if "No," continue to the next question.)
- B. Does your company provide (or make available at the employees' expense) any employee benefits?  
 Yes  No  
If "Yes," continue to Question C.  
If "No," proceed to Section 5. (The EBO is not applicable to you.)
- C. Does your company provide (or make available at the employees' expense) any benefits to the spouse of an employee? .....  Yes  No
- D. Does your company provide (or make available at the employees' expense) any benefits to the domestic partner of an employee? .....  Yes  No

**If you answered "No" to both Questions C and D, proceed to Section 5. (The EBO is not applicable to this contract.) If you answered "Yes" to both Questions C and D, please continue to Question E. If you answered "Yes" to Question C and "No" to Question D, please continue to Section 3.**

- E. Are the benefits that are available to the spouse of an employee identical to the benefits that are available to the domestic partner of the employee? .....  Yes  No

**If you answered "Yes," proceed to Section 4. (You are in compliance with the EBO.)  
If you answered "No," continue to Section 3.**

**SECTION 3. PROVISIONAL COMPLIANCE**

- A. Contractor/vendor is not in compliance with the EBO now but will comply by the following date:
  - By the first effective date after the first open enrollment process following the contract start date, not to exceed two years, if the Contractor submits evidence of taking reasonable measures to comply with the EBO; or
  - At such time that administrative steps can be taken to incorporate nondiscrimination in benefits in the Contractor's infrastructure, not to exceed three months; or
  - Upon expiration of the contractor's current collective bargaining agreement(s).

B. If you have taken all reasonable measures to comply with the EBO but are unable to do so, do you agree to provide employees with a cash equivalent? \* .....  Yes  No

\* The cash equivalent is the amount of money your company pays for spousal benefits that are unavailable for domestic partners.

**SECTION 4. REQUIRED DOCUMENTATION**

At time of issuance of purchase order or contract award, you may be required by the City to provide documentation (copy of employee handbook, eligibility statement from your plans, insurance provider statements, etc.) to verify that you do not discriminate in the provision of benefits.

**SECTION 5. CERTIFICATION**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that I am authorized to bind this entity contractually. By signing this certification, I further agree to comply with all additional obligations of the Equal Benefits Ordinance that are set forth in the Berkeley Municipal Code and in the terms of the contract or purchase order with the City.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_  
(City) (State)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Federal ID or Social Security Number

**FOR CITY OF BERKELEY USE ONLY**

- Non-Compliant (The City may not do business with this contractor/vendor)
- One-Person Contractor/Vendor                       Full Compliance                       Reasonable Measures
- Provisional Compliance Category, Full Compliance by Date: \_\_\_\_\_
- Staff Name (*Sign and Print*): \_\_\_\_\_ Date: \_\_\_\_\_

Contract Description/Specification No: **External Audit Services / 23-11559-C**

**Attachment G** (page 2)

**CITY OF BERKELEY**  
**Right to Audit Form**

The contractor agrees that pursuant to Section 61 of the Berkeley City Charter, the City Auditor's office may conduct an audit of Contractor's financial, performance and compliance records maintained in connection with the operations and services performed under this contract.

In the event of such audit, Contractor agrees to provide the Auditor with reasonable access to Contractor's employees and make all such financial, performance and compliance records available to the Auditor's office. City agrees to provide Contractor an opportunity to discuss and respond to/any findings before a final audit report is filed.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name & Title: \_\_\_\_\_

Company: \_\_\_\_\_

Contract Description/Specification No: **External Audit Services / 23-11559-C**

Please direct questions regarding this form to the Auditor's Office, at (510) 981-6750.

**Attachment H**

**CITY OF BERKELEY**  
**Commercial General and Automobile Liability Endorsement**

The attached Certificates of Insurance are hereby certified to be a part of the following policies having the following expiration dates:

Policy No.	Company Providing Policy	Expir. Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The scope of the insurance afforded by the policies designated in the attached certificates is not less than that which is afforded by the Insurance Service Organization's or other "Standard Provisions" forms in use by the insurance company in the territory in which coverage is afforded.

Such Policies provide for or are hereby amended to provide for the following:

1. The named insured is \_\_\_\_\_.
2. CITY OF BERKELEY ("City") is hereby included as an additional insured with respect to liability arising out of the hazards or operations under or in connection with the following agreement:  
\_\_\_\_\_.

The insurance provided applies as though separate policies are in effect for both the named insured and City, but does not increase the limits of liability set forth in said policies.

3. The limits of liability under the policies are not less than those shown on the certificate to which this endorsement is attached.
4. Cancellation or material reduction of this coverage will not be effective until thirty (30) days following written notice to \_\_\_\_\_, Department of \_\_\_\_\_, Berkeley, CA.
5. This insurance is primary and insurer is not entitled to any contribution from insurance in effect for City.

The term "City" includes successors and assigns of City and the officers, employees, agents and volunteers.

\_\_\_\_\_  
Insurance Company

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Signature of Underwriter's  
Authorized Representative