

CITY OF NAPLES, FLORIDA
AGREEMENT
(PROFESSIONAL CONSULTANT SERVICES: NON-CCNA)

Bid/Proposal No. 16-028

Clerk Tracking No. 16-00081

Project Name: **Audit Services**

THIS AGREEMENT (the "Agreement") is made and entered into this **18th day of May 2016** by and between the City of Naples, a Florida municipal corporation, (the "CITY") and **Mauldin & Jenkins, LLC**, a Florida Limited Liability Company, authorized to do business in the State of Florida, whose business address is: 1401 Manatee Avenue West, Suite 1200; Bradenton, Florida 34205 (the "CONSULTANT").

WHEREAS, the CITY desires to obtain the services of the CONSULTANT concerning certain services specified in this Agreement (referred to as the "Project"); and

WHEREAS, the CONSULTANT has submitted a proposal for provision of those services; and

WHEREAS, the CONSULTANT represents that it has expertise in the type of consultant services that will be required for the Project.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein, the parties hereto agree as follows:

ARTICLE ONE
CONSULTANT'S RESPONSIBILITY

1.1. The Services to be performed by the CONSULTANT are generally described as **Audit Services** and may be more fully described in the Scope of Services, attached as **EXHIBIT A** and made a part of this Agreement.

1.2. The CONSULTANT agrees to obtain and maintain throughout the period of this Agreement all such licenses as are required to do business in the State of Florida, the City of Naples, and in Collier County, Florida, including, but not limited to, all licenses required by the respective state boards and other governmental agencies responsible for regulating and licensing the consultant services to be provided and performed by the CONSULTANT pursuant to this Agreement. This Agreement does not cover Professional Services as outlined in Florida Statute Sec. 287.055.

1.3. The CONSULTANT agrees that, when the services to be provided hereunder relate to a consultant service which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, it shall employ or retain only qualified personnel to provide such services.

1.4. The CONSULTANT agrees to employ and designate, in writing, within 5 calendar days after receiving its Notice to Proceed, or other directive from the CITY, a qualified consultant to serve as the

CONSULTANT's project manager (the "Project Manager"). The Project Manager shall be authorized and responsible to act on behalf of the CONSULTANT with respect to directing, coordinating and administering all aspects of the services to be provided and performed under this Agreement.

1.5. The CONSULTANT has represented to the CITY that it has expertise in the type of consultant services that will be required for the Project. The CONSULTANT agrees that all services to be provided by CONSULTANT pursuant to this Agreement shall be subject to the CITY's review and approval and shall be in accordance with the generally accepted standards of professional practice in the State of Florida, as may be applied to the type of services to be rendered, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any governmental agencies which regulate or have jurisdiction over the Project or the services to be provided and performed by the CONSULTANT. In the event of any conflicts in these requirements, the CONSULTANT shall notify the CITY of such conflict and utilize its best professional judgment to advise CITY regarding resolution of the conflict.

1.6. The CONSULTANT agrees not to divulge, furnish or make available to any third person, firm or organization, without CITY's prior written consent, or unless incident to the proper performance of the CONSULTANT's obligations hereunder, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed, any non-public information concerning the services to be rendered by the CONSULTANT hereunder, and the CONSULTANT shall require all of its employees, agents, sub-consultants and sub-contractors to comply with the provisions of this paragraph. However, the CONSULTANT shall comply with the Florida Public Records laws.

1.7 The CONSULTANT agrees not to employ or offer to employ any Elected Officer or City Managerial Employee of the CITY who in any way deals with, coordinates on, or assists with, the consultant services provided in this Agreement, for a period of 2 years after termination of all provisions of this Agreement. For purposes of this paragraph, the term "Elected Officer" shall mean any member of the City Council. For purposes of this paragraph, the term "City Managerial Employee" shall mean the City Manager, the Assistant City Manager, the City Clerk, and any City department head or director. If the CONSULTANT violates the provisions of this paragraph, the CONSULTANT shall be required to pay damages to the CITY in an amount equal to any and all compensation which is received by the former Elected Officer or City Managerial Employee of the CITY from or on behalf of the contracting person or entity, or an amount equal to the former Elected Officer's or City Managerial Employee's last 2 years of gross compensation from the CITY, whichever is greater.

1.8 The CONSULTANT agrees not to provide services for compensation to any other party other than the CITY on the same subject matter, same project, or scope of services as set forth in this Agreement without approval from the City Council of the CITY.

1.9. Except as otherwise provided in this Agreement, the CONSULTANT agrees not to disclose or use any information not available to members of the general public and gained by reason of the CONSULTANT's contractual relationship with the CITY for the special gain or benefit of the CONSULTANT or for the special gain or benefit of any other person or entity.

ARTICLE TWO CITY'S RESPONSIBILITIES

2.1. The CITY shall designate in writing a project coordinator to act as the CITY's representative with respect to the services to be rendered under this Agreement (the "Project Coordinator"). The Project Coordinator shall have authority to transmit instructions, receive information, interpret and define the CITY's policies and decisions with respect to the CONSULTANT's services for the Project.

However, the Project Coordinator is not authorized to issue any verbal or written orders or instructions to the CONSULTANT that would have the effect, or be interpreted to have the effect, of modifying or changing in any way whatever:

- (a) The scope of services to be provided and performed by the CONSULTANT;
- (b) The time the CONSULTANT is obligated to commence and complete all such services; or
- (c) The amount of compensation the CITY is obligated or committed to pay the CONSULTANT.

Any such modifications or changes ((a) (b) or (c)) shall only be made by or upon the authorization of the CITY's city manager as authorized by city council in the enabling legislation or in the CITY's procurement policies.

2.2. The Project Coordinator shall:

- (a) Review and make appropriate recommendations on all requests submitted by the CONSULTANT for payment for services and work provided and performed in accordance with this Agreement;
- (b) Arrange for access to and make all provisions for the CONSULTANT to enter the Project site to perform the services to be provided by the CONSULTANT under this Agreement; and
- (c) Provide notice to the CONSULTANT of any deficiencies or defects discovered by the CITY with respect to the services to be rendered by the CONSULTANT hereunder.

2.3. The CONSULTANT acknowledges that access to the Project Site, to be arranged by the CITY for the CONSULTANT, may be provided during times that are not the normal business hours of the CONSULTANT.

ARTICLE THREE TIME

3.1. Services to be rendered by the CONSULTANT shall be commenced subsequent to the execution of this Agreement upon written Notice to Proceed from the CITY for all or any designated portion of the Project and shall be performed for **three Fiscal Years, 2016 through 2018** with an end date of **June 30, 2019**. Agreement may be awarded for two (2) additional Fiscal Years subject to the mutual consent of the CITY and CONSULTANT with FY19 end date of June 30, 2020 and FY20 end date of June 30, 2021. Time is of the essence with respect to the performance of this Agreement.

3.2. Should the CONSULTANT be obstructed or delayed in the prosecution or completion of its services as a result of unforeseeable causes beyond the control of the CONSULTANT, and not due to its own fault or neglect, including but not restricted to acts of God or of public enemy, acts of government or of the CITY, fires, floods, epidemics, quarantine regulations, strikes or lock-outs, then the CONSULTANT shall notify the CITY in writing within 5 working days after commencement of such delay, stating the cause or causes thereof, or be deemed to have waived any right which the CONSULTANT may have had to request a time extension.

3.3. No interruption, interference, inefficiency, suspension or delay in the commencement or

progress of the CONSULTANT's services from any cause whatsoever, including those for which the CITY may be responsible in whole or in part, shall relieve the CONSULTANT of its duty to perform or give rise to any right to damages or additional compensation from the CITY. The CONSULTANT's sole remedy against the CITY will be the right to seek an extension of time to its schedule. This paragraph shall expressly apply to claims for early completion, as well as claims based on late completion.

3.4. Should the CONSULTANT fail to commence, provide, perform or complete any of the services to be provided hereunder in a timely and reasonable manner, in addition to any other rights or remedies available to the CITY hereunder, the CITY at its sole discretion and option may withhold any and all payments due and owing to the CONSULTANT until such time as the CONSULTANT resumes performance of its obligations hereunder in such a manner so as to reasonably establish to the CITY's satisfaction that the CONSULTANT's performance is or will shortly be back on schedule.

ARTICLE FOUR COMPENSATION

4.1. The total compensation to be paid the CONSULTANT by the CITY for all Services is not to exceed **\$256,000.00** that includes **\$23,100.00** for additional services shall be paid in the manner set forth in the "Basis of Compensation", which is attached as **EXHIBIT B** and made a part of this Agreement.

ARTICLE FIVE MAINTENANCE OF RECORDS

5.1. The CONSULTANT will keep adequate records and supporting documentation which concern or reflect its services hereunder. The records and documentation will be retained by the CONSULTANT for a minimum of five 5 years from the date of termination of this Agreement or the date the Project is completed, whichever is later. The CITY, or any duly authorized agents or representatives of the CITY, shall have the right to audit, inspect and copy all such records and documentation as often as they deem necessary during the period of this Agreement and during the 5 year period noted above; provided, however, such activity shall be conducted only during normal business hours. If the CONSULTANT desires to destroy records prior to the minimum period, it shall first obtain permission from the CITY in accordance with the Florida Public Records laws.

5.2 The CONSULTANT shall:

- (a) Keep and maintain public records that ordinarily and necessarily would be required by the CITY in order to perform the service.
- (b) Provide the public with access to public records on the same terms and conditions that the CITY would provide the records and at a cost that does not exceed the established cost of the CITY or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the consultant upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the CITY in a format that is compatible with the information technology systems of the CITY.

- (e) Promptly notify the CITY of any public records request.

ARTICLE SIX INDEMNIFICATION

6.1. The CONSULTANT agrees to indemnify and hold harmless the CITY from liabilities, damages, losses and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the CONSULTANT and persons employer or utilized by the CONSULTANT in the performance of the Contract.

ARTICLE SEVEN INSURANCE

7.1. The CONSULTANT shall obtain and carry, at all times during its performance under this Agreement, insurance of the types and in the amounts set forth in the document titled General Insurance Requirements, which is attached as **EXHIBIT C** and made a part of this Agreement.

7.2. In addition to the General Insurance Requirements in Exhibit C the CONSULTANT shall obtain and maintain Professional Liability Insurance to insure its legal liability for claims arising out of the performance of professional services under this Agreement. CONSULTANT waives its right of recovery against OWNER as to any claims under this insurance. Such insurance shall have limits of not less than \$1,000,000 each claim and in the aggregate.

ARTICLE EIGHT SERVICES BY CONSULTANT'S OWN STAFF

8.1. The services to be performed hereunder shall be performed by the CONSULTANT's own staff, unless otherwise authorized in writing by the CITY. The employment of, contract with, or use of the services of any other person or firm by the CONSULTANT, as independent CONSULTANT or otherwise, shall be subject to the prior written approval of the CITY. No provision of this Agreement shall, however, be construed as constituting an agreement between the CITY and any such other person or firm. Nor shall anything contained in this Agreement be deemed to give any such party or any third party any claim or right of action against the CITY beyond such as may otherwise exist without regard to this Agreement.

ARTICLE NINE WAIVER OF CLAIMS

9.1. The CONSULTANT's acceptance of final payment shall constitute a full waiver of any and all claims, except for insurance company subrogation claims, by it against the CITY arising out of this Agreement or otherwise related to the Project, except those previously made in writing and identified by the CONSULTANT as unsettled at the time of the final payment. Neither the acceptance of the CONSULTANT's services nor payment by the CITY shall be deemed to be a waiver of any of the CITY's rights against the CONSULTANT.

ARTICLE TEN TERMINATION OR SUSPENSION

10.1. The CONSULTANT shall be considered in material default of this Agreement and such default will be considered cause for the CITY to terminate this Agreement, in whole or in part, as further set forth in this section, for any of the following reasons: (a) failure to begin work under the Agreement within the times specified under the Notice(s) to Proceed, or (b) failure to properly and timely perform the services to be provided hereunder or as directed by the CITY, or (c) the bankruptcy or insolvency or a general assignment for the benefit of creditors by the CONSULTANT or by any of the CONSULTANT's principals, officers or directors, or (d) failure to obey laws, ordinances, regulations or other codes of conduct, or (e) failure to perform or abide by the terms or spirit of this Agreement, or (f) for any other just cause. The CITY may so terminate this Agreement, in whole or in part, by giving the CONSULTANT at least 3 calendar days' written notice.

10.2. If, after notice of termination of this Agreement as provided for in paragraph 10.1 above, it is determined for any reason that the CONSULTANT was not in default, or that its default was excusable, or that the CITY otherwise was not entitled to the remedy against the CONSULTANT provided for in paragraph 10.1, then the notice of termination given pursuant to paragraph 10.1 shall be deemed to be the notice of termination provided for in paragraph 10.3 below and the CONSULTANT's remedies against the CITY shall be the same as and limited to those afforded the CONSULTANT under paragraph 10.3 below.

10.3. The CITY shall have the right to terminate this Agreement, in whole or in part, without cause upon 7 calendar day's written notice to the CONSULTANT. In the event of such termination for convenience, the CONSULTANT'S recovery against the CITY shall be limited to that portion of the fee earned through the date of termination, together with any retainage withheld and any costs reasonably incurred by the CONSULTANT that are directly attributable to the termination, but the CONSULTANT shall not be entitled to any other or further recovery against the CITY, including, but not limited to, anticipated fees or profits on work not required to be performed.

ARTICLE ELEVEN CONFLICT OF INTEREST

11.1. The CONSULTANT represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. The CONSULTANT further represents that no persons having any such interest shall be employed to perform those services.

ARTICLE TWELVE MODIFICATION

12.1. No modification or change in this Agreement shall be valid or binding upon the parties unless in writing and executed by the party or parties intended to be bound by it.

ARTICLE THIRTEEN NOTICES AND ADDRESS OF RECORD

13.1. All notices required or made pursuant to this Agreement to be given by the CONSULTANT to the CITY shall be in writing and shall be delivered by hand or by (USPS) United States Postal Service, first class mail service, postage prepaid, return receipt requested, or as otherwise agreed upon and addressed to the following CITY's address of record:

City of Naples
735 Eighth Street South
Naples, Florida 34102-3796

Attention: **A. William Moss**, City Manager

13.2. All notices required or made pursuant to this Agreement to be given by the CITY to the CONSULTANT shall be made in writing and shall be delivered by hand or by the (USPS) United States Postal Service, first class mail service, postage prepaid, return receipt requested, or as agreed upon and addressed to the following CONSULTANT's address of record:

Mauldin & Jenkins, LLC
1401 Manatee Avenue West, Suite 1200
Bradenton, Florida 34205
Attention: **Wade P. Sansbury**, Partner
FEI/EIN Number: On File

13.3. Either party may change its address of record by written notice to the other party given in accordance with requirements of this Article.

ARTICLE FOURTEEN MISCELLANEOUS

14.1. The CONSULTANT, in representing the CITY, shall promote the best interest of the CITY and assume towards the CITY a duty of care commensurate with that which is imposed upon persons or firms in consultant's profession.

14.2. No modification, waiver, suspension or termination of the Agreement or of any terms thereof shall impair the rights or liabilities of either party.

14.3. This Agreement is not assignable, in whole or in part, by the CONSULTANT without the prior written consent of the CITY.

14.4. Waiver by either party of a breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Agreement.

14.5. The headings of the Articles, Exhibits, Parts and Attachments as contained in this Agreement are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such Articles, Exhibits, Parts and Attachments.

14.6. This Agreement constitutes the entire agreement between the parties hereto and shall supersede, replace and nullify any and all prior agreements or understandings, written or oral, relating to the matter set forth herein, and any such prior agreements or understanding shall have no force or effect whatever on this Agreement.

14.7. The CONSULTANT shall comply fully with all provisions of state and federal law, including without limitation all provisions of the Immigration Reform and Control Act of 1986 ("IRCA") as amended, as well as all related immigration laws, rules, and regulations pertaining to proper employee work authorization in the United States. The CONSULTANT shall execute the Certification of Compliance with Immigration Laws, attached hereto as **EXHIBIT D**.

14.8. To the extent that any provision in the Specifications or any other Contract Documents pertaining to this Project conflict with any provision of this Agreement, this Agreement controls.

14.9 Dispute Resolution. Disputes under this Agreement shall be resolved through mutual consultation between the parties within 14 days after notice; and failing resolution through mutual consultation, through mediation within 30 days thereafter; and failing mediation, through Arbitration under the Florida Arbitration Code, by a single arbitrator. If the parties cannot agree on a mediator or arbitrator, within 14 days of failure of the previous method, they shall request the Chief Judge of the 20th Judicial Circuit to appoint a mediator, or an arbitrator, as the case may be. Time periods are waivable by mutual agreement of the parties, but shall not exceed 90 days for completion of the processes described herein, unless by mutual agreement. Costs of the mediator or arbitrator shall be shared equally.

14.10 Attorneys' fees. Except as otherwise provided herein, each party shall be responsible for its own attorneys' fees.

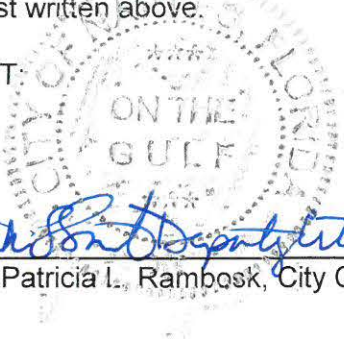
ARTICLE FIFTEEN APPLICABLE LAW

15.1. Unless otherwise specified, this Agreement shall be governed by the laws, rules, and regulations of the State of Florida, and by the laws, rules and regulations of the United States when providing services funded by the United States government. Any suit or action brought by either party to this Agreement against the other party relating to or arising out of this Agreement must be brought in the appropriate Florida state court in Collier County, Florida.

END OF ARTICLE PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for the day and year first written above.

ATTEST:



By: Patricia L. Rambosk
Patricia L. Rambosk, City Clerk

CITY:

CITY OF NAPLES, FLORIDA,
A Municipal Corporation

By: A. William Moss
A. William Moss, City Manager

Approved as to form
and legal sufficiency:

By: Robert D. Pritt
Robert D. Pritt, City Attorney

CONSULTANT:

Mauldin & Jenkins, LLC
1401 Manatee Avenue West, Suite 1200
Bradenton, Florida 34205
Attention: **Wade P. Sansbury**, Partner

Cara Knusch
Witness

Cara Knusch
Witness Printed Name

By: Wade P. Sansbury

Printed Name: WADE SANSBURY

Title: PARTNER

FEI/EIN Number: On File
A Florida Limited Liability Company (FL)

(CORPORATE SEAL)

EXHIBIT A

SCOPE OF SERVICES

The Scope of Services to be provided under this Agreement are included in Attachment A-1 which is attached and made a part of this Agreement and those set out in the Proposal, any issued Addendum(s) and Vendor's Submittal of (RFP) Request For Proposal No.16-028, titled Audit Services, herein referenced and made a part of this Agreement.

END OF EXHIBIT A

**City of Naples
Request for Proposal
Auditing Services**

A. INTRODUCTION

The City of Naples is requesting proposals from experienced and qualified firms of certified public accountants to audit its financial statements for the fiscal years ending September 30, 2016, 2017 and 2018 with the option of extending the agreement, upon mutual consent to each of the two (2) subsequent fiscal years.

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (2007), 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 States, Local Governments, and Non-Profit Organizations*, as required.

Independent auditors are hired by, and report to, the Naples City Council. The City Council has named an audit committee to evaluate the proposals and to recommend an auditing firm.

B. DESCRIPTION OF GOVERNMENT:

1. General Information

The City of Naples is located in the Southwestern portion of the State of Florida and has a permanent population of approximately 20,537, increasing to approximately 33,000 during the peak winter season. The City provides a full range of municipal services, including police & emergency services, streets and highways, parks & recreation, planning, public improvements, water, sewer, solid waste, stormwater utilities, and general administrative services.

The City is managed under a Council-City Manager form of government. The legislative and governing body of the City consists of a mayor and six council members. Each Council Member is elected to a four year staggered term. There is a limit of two consecutive terms that a Council Member or Mayor may serve.

The present members of the Council and their terms are as follows:

Member	Term Ends
John Sorey III, Mayor	April 2016
Douglas Finlay	February 2018
Teresa Heitmann	April 2016
Linda Penniman	February 2018
Sam Saad III	February 2018
Bill Barnett	April 2016
Margaret "Dee" Sulick	April 2016

The Council appoints the City Manager, who is the chief administrative officer of the City. The City Manager hires all other City employees, except the City Clerk and the Deputy City Clerk, who are appointed by Council. City Manager A. William Moss was selected by the City Council to be the City Manager as of January 1, 2008.

2. Financial Information

The City's accounting system is fully automated. The City's integrated financial system is Tyler Munis for Accounting, Budgeting, Purchasing, Accounts Receivable, Utility Billing, Fixed Assets, Business Tax, Parking Citations, Permitting, Payroll, and Cash Receipts.

The City has a 2015-16 annual budget of \$125 million, including internal service funds. There are 462.7 positions budgeted.

For fiscal year ended September 30, 2015, the audit covers 35 funds - 8 major, 4 Internal Service, 5 Fiduciary, 3 non-major enterprise, 2 non-major capital projects, and 13 non-major special revenue funds. Twenty one funds had approved budgets.

The City has no joint ventures and in FY 14-15, did not have any single audit act requirements.

The City of Naples has three single-employer defined benefit retirement plans:

- 1 General
- 2 Police
- 3 Fire

Foster and Foster provides actuarial services for the pension plans.

The Finance Department has 18 budgeted positions operating in two divisions: Finance/Accounting and Customer Service (Billing and Collections). Primary functions are payroll, accounts payable, revenue collections, budget, investment, financial reporting, fixed assets maintenance, utility billing, parking meter collections, utility meter reading, and issuance of business tax receipts.

The Finance Director is Ann Marie S. Ricardi, hired in June 2002. Primary audit contact will be Gary Young, Deputy Finance Director, who has been with the City of Naples since March 2016.

C. SCOPE OF SERVICES

1. Audit Opinions and Reports to be Issued

Upon completion of the audit of the fiscal year's financial statements, Auditor shall issue the following reports and all reports as required by the standards noted in Section 2.

- a) A report on the fair presentation of the Financial Statements of the Governmental Activities, the Business Type Activities, the discreetly presented component unit, each major fund and the aggregate remaining fund information, which collectively comprise the City's basic financial statements in conformity with general accepted accounting principles, including an opinion on the fair presentation of the schedule of expenditure of federal and state awards "in relation to" the audited financial statements.
- b) An independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- c) An independent auditor's report on compliance for each major program and on internal control over compliance required by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.
- d) A Management letter.
- e) Comments required by the Rules of the Auditor General, Chapter 10.554(1) (E).
- f) In the required reports on internal controls, communicate any reportable conditions found during the audit. A reportable condition shall be defined as follows:
 - (1) 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.
- (2) Reportable items as required by the rules of the Auditor General of Florida.
 - (3) Reportable conditions that are also material weaknesses shall be identified as such in the report.
- g) If any, non-reportable conditions discovered by Auditor shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.
 - h) Irregularities and Illegal Acts. Auditor shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which auditor becomes aware to the Mayor and the City Council.

The auditor is not required to audit the Letter of Transmittal or the Supplementary Information.

The audit shall be an annual financial audit as defined in Section 218.3(17), Florida Statutes, and shall be conducted in accordance with generally accepted auditing standards as well as the standards listed in Section 2. The contract shall cover the period beginning with fiscal year end financials dated September 30, 2016 and ended with fiscal year September 30, 2018 with the expectation that an additional contract will be awarded for two additional (1) one year periods subject to the mutual consent of the City and the proposer.

The auditor is expected to express an opinion on the fair presentation of the combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

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.

The partner in charge of the audit and the audit manager or other CPA assigned to the audit shall attend one or more public meetings for discussion of the audit report as deemed necessary by the City.

Upon request by the City, Auditor shall provide assistance to the City to comply with new GASB reporting requirements.

Auditor shall participate in periodic progress meetings with City management and Finance Department staff during audit field work.

2. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

- a. Generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants
- b. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (2011)
- c. Florida Statutes 218.39 and any other applicable Florida Statutes
- d. Regulations of the State of Florida Department of Financial Services
- e. The provisions of the Single Audit Act of 1984 (as amended in 1996)
- f. The provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.

4. CAFR printing

As part of audit services, the auditor selected will provide the City with one (1) original set of all financial statements, including footnotes, statistical schedules and other required disclosures for the Comprehensive Annual Financial Report (CAFR). These must be "camera ready" for the printer. The City will be responsible for preparing the letter of transmittal. The auditor selected will also provide one (1) original of the auditor's opinion letter and one (1) original each of the management letter and all reports and schedules required by the Single Audit Act. The City of Naples will provide the necessary reproduction, report covers, tabs and binding of the CAFR.

The Auditing firm shall provide a copy of the CAFR in Adobe or similar format suitable for downloading to the City's website.

5. City Responsibilities

The City of Naples will provide office space, with desk and chairs, including at least one phone line for the auditors. Calculators, computers and general office supplies will not be provided. This space will be near, although perhaps not directly in, City Hall. Access to the City's Tyler Munis system will be available in the office space provided. The Auditing firm may use City's copiers for business related to the City or for de minimus corporate use, while on site.

The accounting personnel of the City will prepare and provide copies of working trial balances used to prepare the financial statements. The financial statements and footnotes may be prepared by the City's Finance Department; however, the City is interested in the selected provider completing these as well.

The City will prepare the Letter of Transmittal and Statistical Section.

6. Additional Duties

During the term of this contract, there may be exceptional auditing duties which require the assistance of our auditing firms. Any such requirement shall be negotiated and preapproved prior to engagement.

D. SPECIAL CONSIDERATIONS

1. The City of Naples has been awarded the Certificate of Achievement for Excellence in Financial Reporting each year since 1981. The City intends to send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of Naples to continue to meet the requirements of that program.
2. The City of Naples does not anticipate the preparation of any official statements in connection with the sale of debt securities during the period of this contract. However, if it does occur, and the general purpose financial statements and the auditor's report thereon are required, the auditor may be required to issue a "consent and citation of expertise" or any necessary similar report as the auditor.
3. In accordance with state law, a separate formal agreement will be entered into between the parties. The Contract Documents will

set forth the entire Agreement between the City and the Contractor. The City and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to any item that is not in the Contract Documents, and that all terms and conditions with respect to the Contract Documents are expressly contained therein.

4. The City's prior auditors have been Maudlin and Jenkins, LLC for audits of fiscal years 9/30/11 through 9/30/15. The City of Naples does not have a policy which would preclude a new contract awarded to the prior auditors.
5. It is intended that the term of this contract will be for the audit of three (3) fiscal years. It is intended that the parties may renew this contract for two additional one-year periods, based on the mutual agreement. However, any term is subject to contractual negotiation and budget appropriation.
6. By submission of this proposal, the undersigned, as proposer, does declare that the only person, or persons, interested in this proposal as principal or principals is/are named therein and that no person other than therein mentioned has any interest in this proposal or in the contract to be entered into; that this proposal is made without connection with any other person, company or parties making a proposal, and that it is, in all respects, fair and in good faith without collusion or fraud.
7. Submission of a signed proposal is the proposal's certification that they will accept any awards made to them as a result of said submission of the terms contained therein. Furthermore, it shall be understood and agreed that any and all services shall comply fully with all local, State and federal laws and regulations.
8. Audit work papers are the property of the auditors and shall be held for a period of five (5) years. Work papers shall be available for examination or duplication without charge to authorized City personnel or representatives of Federal or State Agencies upon request. Working papers will also be made available for examination, at no charge, or duplication at a reasonable charge, to subsequent auditors engaged by the City.

E. AUDIT COMMITTEE:

Proposals submitted will be evaluated by a five (5) member Audit Committee that has been selected by City Council. The evaluation will

EXHIBIT B

BASIS OF COMPENSATION

As consideration for providing the Services as set forth in the Agreement, the CITY agrees to pay, and the CONSULTANT agrees to accept payment on a time and reimbursement cost basis as indicated in Exhibit B, which is attached and made part of this Agreement.

Retainage: (N/A) Not applicable to this Agreement.

Appendix B

Price Format

PROPOSAL COST FOR AUDIT SERVICES

Use this form or a reasonable facsimile.

Name of Firm: MAULDIN & JENKINS, LLC

The City expects to sign a contract with the successful proposer for a three (3) year period with the expectation that amendments may be awarded for two (2) additional one-year periods subject to the mutual consent of the City and the proposer. The proposer shall submit a flat fee for each of the three years covered by the request for proposals, excluding a Single Audit Fee, which shall be listed separately. Fees for the option years will be negotiated.

Contract year	Proposal Amount
Year one ending September 30, 2016	\$ 77,000
Year two ending September 30, 2017	\$ 77,000
Year three ending September 30, 2018	\$ 78,900

Additional Fee if Single Audit is Required

\$ 3,500 per major program _____

Additional Fee to prepare Financial Statements and Footnotes

\$ 4,200 to prepare statements and notes _____

SCHEDULE OF SUPPLEMENTAL PROFESSIONAL SERVICES

	Hourly rate to be charged
Partners	\$ <u>265</u> _____
Accountants	\$ <u>180</u> _____
Other	\$ <u>100</u> _____

END OF EXHIBIT B

EXHIBIT C

GENERAL INSURANCE REQUIREMENTS

The CONSULTANT shall not commence work until he has obtained all the insurance required under this heading, and until such insurance has been approved by the Owner, nor shall the CONSULTANT allow any sub-consultant to commence work until all similar insurance required of the sub-consultant as also been obtained and approved by the Owner.

Certificates of insurance must be issued by an authorized representative of the insurance company at the request and direction of the policyholder and must include sufficient information so as to identify the coverage and the contract for Owner's improvements for which they are issued. Certificates of insurance must be issued by a nationally recognized insurance company with a Best's Rating of no less than B+VII, satisfactory to the Owner, and duly licensed to do business in the state of said Contract.

The CONSULTANT shall procure and maintain, during the life of this Contract, Workmen's Compensation Insurance for all of his employees to be engaged in work under this Contract, and he shall require any sub-consultant similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work, unless such employees are covered by the protection afforded by the CONSULTANT's insurance. In case any employees are to be engaged in hazardous work under this Contract, and are not protected under this Workmen's Compensation statute, the CONSULTANT shall provide, and shall cause each sub-consultant to provide, adequate coverage for the protection of such employees. It is acceptable to use a State-approved Workmen's Compensation Self-Insurance fund.

Except for Worker's Compensation coverage, or unless waived by the City in writing, the CONSULTANT shall take out and maintain during the life of this Contract, Public Liability and Property Damage and shall include Contractual Liability, Personal Injury, Libel, Slander, False Arrest, Malicious Prosecution, Wrongful Entry or Eviction, Broad Form Property Damage, Products, Completed Operations and XCU Coverage to be included on an occurrence basis, and to the full extent of the Contract to protect him, the Owner, and any sub-consultant performing work covered by this Contract from damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from operations under this contract, whether such operations be by himself or by a sub-consultant, or by anyone directly or indirectly employed by either of them. The CONSULTANT shall also maintain automobile liability insurance including "non-owned and hired" coverage. The entire cost of this insurance shall be borne by the CONSULTANT.

The amount of such insurance shall be no less than \$1,000,000 annual aggregate for bodily injury and property damage combined per occurrence.

Except for the Worker's Compensation and Professional Liability, the City of Naples must be named as Additional Insured on the insurance certificate and the following must also be stated on the certificate. "These coverage's are primary to all other coverage's the City possesses for this contract only." The City of Naples shall be named as the Certificate Holder. The Certificate Holder shall read as follows:

City of Naples
Attention: City Manager
735 Eighth Street South
Naples, Florida 34102

No City Division, Department, or individual name should appear on the Certificate.
No other format will be acceptable, without prior approval of the City.

The Certificate must state the bid number and title. When using the ACORD 25 – Certificate of Insurance only the most current version will be accepted.

The City of Naples requires a copy of a cancellation notice in the event the policy is cancelled. The City of Naples shall be expressly endorsed onto the policy as a cancellation notice recipient.

[If other insurance or insurance requirements or any waivers, attach as Exhibit C-1 through C-__]

EXHIBIT D

CERTIFICATION OF COMPLIANCE WITH IMMIGRATION LAWS

The undersigned is the **Partner of the Mauldin & Jenkins, LLC** company ("the CONSULTANT"), and hereby certifies to the following:

1. The CONSULTANT is in full compliance with all provisions of the Immigration Reform and Control Act of 1986 ("IRCA"), as well as all related immigration laws, rules, regulations pertaining to proper employee work authorization in the United States.

2. The undersigned has verified that the CONSULTANT has obtained and maintains on file, and will continue to obtain and maintain on file, all documentation required by law, including but not limited to, Form I-9, Employment Eligibility Verification, for all persons employed by or working for the CONSULTANT in any capacity on any project for the City of Naples (CITY). All such persons have provided evidence of identity and eligibility to work to the CONSULTANT in accordance with the IRCA and related law. The undersigned hereby affirms that no person has been or will be employed by the CONSULTANT to work on projects for the CITY who is not authorized to work under law. The undersigned further affirms that the CONSULTANT's files will be updated by written notice any time that additional employees work on projects for the CITY.

3. The CONSULTANT will have its consultants, sub-consultants, suppliers and vendors who are involved in projects for the CITY to sign a written acknowledgment that they too are in compliance with immigration law. It is understood that failure to do so could result in the CONSULTANT being liable for any violation of the law by such third parties.

4. The CONSULTANT will fully cooperate with and have its consultants, sub-consultants, suppliers and vendors to fully cooperate with, all inquiries and investigations conducted by any governmental agency in connection with proper compliance with the laws pertaining to appropriate work authorization in the United States.

5. The undersigned, on behalf of the CONSULTANT, acknowledges that this Certification may be relied upon by the CITY, its officers, directors, employees, and affiliates or related persons and entities.

6. If it is found that the CONSULTANT has not complied with the laws pertaining to proper employment authorization, and any legal and administrative action ensues against the CITY, the CONSULTANT will indemnify, defend and hold the CITY harmless along with their officers, directors, employees, and affiliated or related persons and entities.

7. The CONSULTANT acknowledges that the CITY by their authorized representatives shall have the right, at any time, upon 24 hours' notice, to examine the CONSULTANTS's books and records to confirm that the CONSULTANT is in compliance with the terms of this certification.

Executed this 26th day of May, 2016.

By: Wade P. Embury