



Financial Services – Purchasing Division

NOTICE

Thank you for your inquiry regarding the City of Pontiac project listed below:

Independent Audit Services

If your firm plans to bid on this project, please send an e-mail response to MMcKenzie@pontiac.mi.us with the following information:

Firm Name: _____

Project Name: _____

Firm's Contact Person: _____

Telephone Number: _____

Fax Number: _____

E-Mail Address: _____

Postal Address: _____

The City of Pontiac Purchasing Division will use this information to communicate with you in the event an addendum or change to this project is issued. If you do not send this information to the City of Pontiac, you will not receive any follow-up notification of any changes to the project.

NOTICE TO BIDDERS

The City of Pontiac will open sealed bids on **Monday, February 05, 2018 at 2:00 p.m.** prevailing local time in the City Hall Lion's Den conference room at 47450 Woodward Ave for:

Independent Audit Services

You are invited to submit a bid for this project. Sealed bids may be mailed or delivered to the CITY OF PONTIAC, CITY CLERK, 47450 Woodward Ave., Pontiac, MI 48342 by **2:00 PM, Monday, February 05, 2018.** Envelopes should include the name and mailing address of the vendor on the outside and be plainly marked:

"Independent Audit Services"

The City of Pontiac is seeking professional services to provide Independent Audit Services. The contract will begin at the time of execution and continue for three (3) year with an option to renew for year four (4) and year five (5) at the City's discretion.

The City of Pontiac operates on a July 1 – June 30 fiscal year. The City's accounting records are generally maintained using BS&A software.

No proposal submitted may be withdrawn for at least ninety (90) days after the actual opening of the proposal.

General specifications, description and conditions upon which the bid proposal is to be based are available at the City of Pontiac website:

Purchasing: <http://www.pontiac.mi.us/departments/finance/purchasing.php>

Please refer to the website for any addenda that may be issued. Respondents who submit bids before the deadline are advised to continue to monitor the website for any addenda that may be issued. Bid packages will also be mailed upon request.

The City reserves the right to reject any or all bids, to waive any irregularities, and further reserves the right to accept any bid or parts of bids that it deems to best serve the interest of the City.

If you have any questions regarding this RFQ, please contact the Purchasing Agent at (248) 758-3120 or send an email to MMcKenzie@pontiac.mi.us

If you have questions regarding the specifications, contact Nevrus Nazarko, Finance Director by sending an email to NNazarko@pontiac.mi.us.

1. INSTRUCTIONS TO BIDDERS

1.1 Qualifications to be Received

Qualifications for Independent Audit Services will be received at the Office of the City Clerk of the City of Pontiac, Michigan **Monday, February 05, 2018 at 2:00 p.m.**, and immediately thereafter will be publicly opened and read.

Bidders **MUST** submit **an original and two copies** of the proposal. Additionally, duplicate copies of all descriptive literature and/or samples must be provided as requested. Qualifications must be submitted in a sealed envelope and addressed to the City Clerk of the City of Pontiac. Each sealed envelope containing a response must be plainly marked on the outside as "**Independent Audit Services**", and the envelope should bear on the outside the name of the respondent, his address, and the name of the project for which the response is submitted. If forwarded by mail, the sealed envelope containing the response must be enclosed in another envelope addressed to the City Clerk, City of Pontiac at 47450 Woodward Avenue Pontiac, MI. 48342.

Qualifications will be received during regular business hours at the place and up to the time stated in the advertisement. Any extension in time will be by official notification. Responses may be delivered in person or mailed, but their delivery is the respondent's responsibility. Any response received after the stated hour, even through the mail, will be returned unopened to the respondent.

1.2 Examination of Bid Documents

Before submitting a qualifications proposal, respondents shall carefully examine the specifications and shall fully inform themselves as to all existing conditions and limitations.

1.3 Basis of Award

The intention of the City is to award the contract for this job to the most qualified applicant(s) whose skill set and past work history are equal to the task of completing the work in a satisfactory manner in the time period specified by the City. The successful respondents will show proof of at least five (5) years' experience in Independent Audit Services. One or more qualified firms may be selected and services will be scheduled at the direction of the City of Pontiac on a per project basis.

1.4 Bid Submission

Each bid shall be made in the format described in the Description of Services under the heading Detailed Proposal. Each bid shall be submitted in a sealed envelope bearing the project name and the name of the bidder. The Bid Proposal shall be signed by an individual authorized to execute the proposal on behalf of the bidder.

2. TERMS AND CONDITIONS

2.1 Non-Discrimination

The respondent agrees to comply with the Federal Civil Rights Act of 1964 as amended; the Federal Civil Rights Act of 1991 as amended; the Americans with Disabilities Act of 1990 as amended; the Elliott-Larsen Civil Rights Act, Article 2, Act no. 453, Public Act of 1976 as amended; the Michigan Handicapper's Civil Rights Act, Article 2, Act no. 220, Public Act of 1976, as amended and all other applicable federal, state and local laws and regulations. Specifically, Bidders and subcontractors are required not to discriminate against any employee or applicant for employment with respect to such person's hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of such person's height, weight, race, color, religion, national origin, ancestry, age, marital status, sex or disability, as defined by law. Breach of this covenant may be regarded as a material breach of the contract.

2.2 Indemnification

The Contractor shall indemnify, save and hold harmless, protect, and exonerate the City, its commissioners, board members, officers, employees, agents, representatives, and the State of Michigan, to the extent no greater than its relative degree of fault.

2.3 Jurisdictional Authority

This contract shall be governed by and construed according to the laws of the State of Michigan and the successful respondent consents to the jurisdiction and venue of the courts in Oakland County, Michigan and of the United States District Court for the Eastern District, Southern Division.

2.4 Severability

The successful respondent will agree that the Contract is the completed and exclusive statement of the Contract between the parties. A judicial or administrative declaration on the invalidity of any one or more of the provisions of the Contract shall not invalidate the remaining provisions of this agreement.

2.5 Income Taxes

Contractor agrees to contact City of Pontiac Income Tax Division, 47450 Woodward, Pontiac, Michigan, 48342, telephone (248) 758-3236, to establish reporting and withholding obligations under the City of Pontiac income tax ordinance. Contractor will require the same of all subcontractors employing labor under this contract. Contractor is required to withhold City of Pontiac income tax from wages paid to:

- a. Pontiac resident employees regardless of where they work for the employer; and
- b. Nonresident employees for work performed in the City.

Web page URL: http://www.pontiac.mi.us/departments/income_tax/index.php

Tax forms URL: http://www.pontiac.mi.us/departments/income_tax/tax_forms.php

2.6 Compensation and Payment

All invoices submitted against the contract must identify the work performed in detail. Items not properly invoiced will not be paid. It is the vendor's responsibility to ensure delivery of invoice(s) to the City. Invoices must meet the following conditions for payment:

- a. Price on invoice must correspond to the pricing listed on purchase order and/or contract.
- b. All invoices will be original.
- c. Invoices will prominently display the requisition or purchase order number, if applicable.

Original invoice **must** be submitted to the City of Pontiac, Attn: Accounts Payable.

Payment Terms – Net 30

2.7 General Conditions

It is the responsibility of the respondent to review General Conditions as specified.

All funds must be quoted in US dollars

2.8 Quotations/Proposals

Bidders **MUST** submit **an original and two copies** of the bid quotation/proposal. Additionally, duplicate copies of all descriptive literature and/or samples must be provided as requested.

The submittal should address all of the points outlined in this RFP. The document is to be prepared simply and economically, providing a straight-forward, concise description of the Firm's capabilities to satisfy the requirements of the RFP. Highlight any parts that reflect the Firm's unique philosophy or insight regarding its approach to serving as the City's Independent Audit Services and how this approach will positively impact the successful completion of an Annual Audit, Comprehensive Annual Financial Report and a Uniform Guidance Single Audit.

2.9 Minor Deviations

Specifications referred to herein are used to indicate desired type, and/or operation or services rendered. Other services may be offered if deviations from specifications are minor and if all

deviations are properly outlined and stated in the bid document. Failure to outline all deviations may be grounds for rejection of your bid.

The decision of the City of Pontiac, acting through the Purchasing Agent, shall be final as to what constitutes acceptable deviations from specifications.

2.10 Bonds and Insurance

Receipt of bonds and/or insurance is part of the process of determining which respondent may be recommended for award to the City Council. If cause is found to change the recommendation that your company be awarded the contract, or if the City Council does not approve the recommendation, the City shall not be liable for any costs incurred by you in the bid process, including the cost of acquiring bonds and/or insurance.

The Contractor, and any and all of their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carriers acceptable to City of Pontiac. The limits required below do not limit the liability of the Contractor. All deductibles are the responsibility of the Contractor.

Workers' Compensation Insurance: The Contractor shall procure and maintain during the life of this contract, Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Professional Liability: The Contractor shall procure and maintain during the life of this contract Professional Liability Insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. If this policy is claims made from, then the contractor shall be required to keep the policy in force, or purchase" tail coverage, for a minimum of three years after the termination of this contract.

Cancellation Notice: Workers' Compensation Insurance and Professional Liability Insurance, as described above, shall be endorsed to state the following: "It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: Risk Manager, City of Pontiac, 47450 Woodward Avenue, Pontiac, MI 48342.

Proof of Insurance Coverage: The Contractor shall provide the City of Pontiac, at the time the contracts are returned by him/her for execution, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates and/or policies to the City of Pontiac at least ten (10) days prior to the expiration date.

2.11 Subcontracting

The City of Pontiac will not allow subcontracting for this agreement unless a request to do so is made by the City. All persons working on this project shall be employees of the Bidder as defined by law.

3. DESCRIPTION OF SERVICES

3.1 GENERAL

The City of Pontiac is requesting Qualification Statements for the purpose of issuing a Contract for Independent Audit Services. They are to complete the following scope of services.

3.2 SCOPE OF WORK

The City of Pontiac is seeking an audit firm to express an opinion on the fair presentation of its consolidated financial statements for the fiscal year end June 30th, of each year, in conformity with accounting principles generally accepted in the United States.

The City also desires that the selected firm review and report on matters of internal control and other issues that may be useful recommendations to the City. At a minimum, the audit process and report must comply with all pertinent standards in these regards.

For all years proposed on, the fees must include all services for accounting standards required at the time of the proposal submission. Subsequent changes in accounting standards that would require a change in fees should be noted to the City at the earliest possible opportunity.

3.3 SCOPE OF SERVICES

3.3.1 Auditing Standards to Be Followed:

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States as set forth by the American Institute of Certified Public Accountants, and Government Audit Standards, as set forth by the Government Auditing Standards Board, and all requirements of the State of Michigan for local units of government. The audit will comply with all necessary GASB reporting requirements.

3.3.2 Deliverables/Reports to Be Issued:

Following the completion of the audit, the engaged firm shall issue the following reports:

- Opinion on the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- Presentation of financial statements and other required and supplemental information as required by relevant standards and regulatory requirements;
- At the City's request, presentation of the financial statements to meet the requirements of a **Comprehensive Annual Financial Report**
- Management letter containing recommendations for improvement in processes and procedures, if any;
- Independent auditors' report on compliance on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards;
- Independent auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance Single Audit Act.
- Schedule of expenditures of federal awards;
- Schedule of findings and questioned costs;
- Reportable conditions/material weakness letter;
- Uniform Guidance Single Audit Act compliance report for federal grants.

The auditor shall reproduce and bind, at its cost, twenty (20) copies each of the basic audit report, the management letter and each document required under the Uniform Guidance Single Audit Act.

The auditor shall also supply the City with unbound copies of all documents and electronic file versions of each document (e.g. PDF or Microsoft Office formats).

The auditor shall submit all required documents to the State of Michigan and other agencies as required prior to all reporting deadlines. The auditor will provide documentation of such submissions to the City.

3.3.3 Working Paper Retention and Access to Working Papers:

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

available upon request by the City. Reports, documents and working papers will only be released with specific written permission and direction from the City.

In addition, the firm shall respond to reasonable inquires of successor firms and allow successor audit firms to review working papers relating to matters of continuing accounting significance.

3.3.4 Date Preliminary Audit Work May Commence:

The City expects to have records ready and personnel available to meet with the firm's personnel for preliminary work as of August 15th, of each year. It is anticipated that the City will have year-end general ledger closed and be ready for audit activity with reasonably adjusted trial balances by September 15th, of each year. Preliminary fieldwork may be flexibly scheduled on mutual agreement; the major fieldwork will begin October 1st, of each year.

3.3.5 Audit Schedule:

A schedule for the audit must be submitted with the firm's proposal and must contain the following milestones:

- Interim work plan;
- Detailed audit plan, including total staff hours for field examination;
- Field work schedule;
- Draft reports availability;
- Final report date.

3.3.6 Report of Audit:

The audit prepared for the year ended June 30th, of each year, will presented to the Mayor and Council no later than December 15th, of each year. Complete and final copies of the pertinent reports shall be delivered to the City no later than December 1st, of each year.

3.4 ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

3.4.1 Financial Staff and Clerical Assistance:

The City's Finance staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of any confirmations will be the responsibility of the City.

3.4.2 Statements and Schedules to be Prepared by the Staff:

The City will prepare statements and schedules for the firm wherever possible and appropriate.

3.4.3 Work Area, Telephones, Photocopying and FAX Machines:

The City will provide the firm with reasonable workspace, desks and chairs. The firm will also be provided with reasonable access to telephone lines, photocopying facilities and fax machine.

3.4.4 Report Preparation:

Report preparation includes, but is not limited to, preparation and quality review of all financial statements in the report, preparation of all footnotes and preparation of all other required schedules. The City will supply all data necessary for report preparation and will review the entire report upon completion of a draft that has been through the selected Firm's quality review.

3.5 PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

3.5.1 Submission of Proposals:

The City will NOT reimburse firms for any expense incurred in preparing proposals in response to this RFP. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the submitted proposal and confirmed in the written contract between the City and the selected firm.

The City reserves the right to reject any or all proposals and to select and engage that firm deemed to best meet the City's needs, cost and other factors considered. The City reserves the right to waive any irregularity on non-compliance in any proposal, **including proposals submitted after the prescribed deadline.** During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications, or to allow correction of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make an oral presentation as part of the evaluation process. Not all firms may be asked to make oral presentations.

The City reserves the right to retain all proposals submitted and to use any ideas in any proposal regardless of whether that firm is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly specifically noted in the proposal submitted and confirmed in the written contract between the City and the selected firm.

3.5.2 Content of Proposals:

The purpose of the proposal is to demonstrate the competence, experience and capability of the firm seeking to undertake the services anticipated. As such, the substance of the proposals will carry more weight than their form or manner of presentation. Elaborate or expensive bindings or other unnecessary forms of presentation are specifically discouraged. The proposal should demonstrate the capabilities of the firm and should specifically identify the audit approach that will be used to meet the RFP requirements.

4. NON-ASSIGNMENT OR TRANSFER

The service provided for under the Contract shall not be sub-contracted, assigned or transferred by the Contractor.

5. CITY RULES

Employees of Contractor shall comply with all instructions, and building regulations issued by representatives of the City of Pontiac.

6. TERM OF CONTRACT

The contract will begin at the time of execution and continue for three (3) year with an option to renew for years four (4) and year five (5) to renew at the City's discretion.

The consultant shall disclose all services that may be in conflict with other City projects before execution of the contract.

The City's acceptance of a proposal and approval of the award of a contract shall not constitute a formed contract and the acceptance of a proposal and award of a contract shall be contingent and conditioned upon the parties' entry into and execution of a written agreement acceptable to the City.

7. PROGRESS PAYMENTS/RETAINAGE

This contract is not subject to progress payments or retainage.

8. PAYMENTS TO CITY

No payments required.

THIS ENDS THE ABOVE SECTION
FOLLOWING PAGES ARE BID PROPOSAL FORM AND SAMPLE CONTRACT

FORM OF PROPOSAL

To: City of Pontiac, Michigan

_____, 2018

To All Here Present:

Having carefully examined the bid for the proposed work, and being fully informed in regard to the conditions to be met in the prosecution and completion of the work, and having read and examined the Instructions to Bidders, Agreement, Bonds, General Conditions, Plans and Specifications pertaining to this work and agreeing to be bound accordingly, the undersigned proposes to furnish all the materials, labor, and other equipment as necessary in full accordance with and conformity to the plans and specifications for this work now on file in the office of the City's at and for the following named prices, to wit:

THIS BID PROPOSAL MUST BE SUBMITTED BACK TO THE CITY OF PONTIAC IN ITS ENTIRETY AS PART OF THE CONTRACTORS BID SUBMISSION. MAKE SURE THAT ALL PAGES ARE COMPLETELY FILLED OUT AND THAT ALL INFORMATION REQUESTED IS COMPLETE. FAILURE TO DO SO MAY BE CAUSE TO REJECT YOUR BID PROPOSAL. IF A BID IS NOT BEING SUBMITTED FOR A PARTICULAR AREA OF WORK, PLEASE MARK "NO BID" IN THE APPROPRIATE SPACE.

DETAILED PROPOSAL

The proposal should address all points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, item number 1 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

1. **Independence**

The firm should provide an affirmative statement that it is independent of the City as defined by the U.S. Government Accountability Office's Governmental Auditing Standards.

The audit firm should also provide an affirmative statement that it is independent of all of the contracted service providers of the City as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the City or any of its contracted service providers for the past five (5) years, together with a statement explaining why such relationships do not impair independence.

2. **License to Practice in Michigan**

An affirmative statement should be included indicating the audit firm and all assigned key professional staff are properly licensed to practice in Michigan.

3. **Firm Demographics**

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

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. The audit firm 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 firm 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.

4. Partner, Supervisory and Staff Qualifications and Experience

The audit firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Michigan. The firm should also provide information on the governmental auditing experience of each person.

The firm should 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. The firm also should indicate how the continuing quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case the City retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements. Other firm personnel may be changed, provided replacements have substantially the same or better qualifications and experience.

A specific and sufficiently detailed description of the firm's process for obtaining and maintaining current expertise in audit standards and requirements applying to local units of government in Michigan should be a particular focus of the proposal.

5. Engagement Experience

For the firm's office that will be assigned responsibility for the audit, list at least three engagements performed in the last five years that are similar to the engagement described in this RFP. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Additional references, beyond three, of this type are preferred.

The City is seeking proposals from firms with significant comparable experience. It will be important for the firm to demonstrate successful experience in directly comparable situations, including, but not necessarily limited to, cities with component unit, bonded debt, Court Fund and similar sized staffs and budgets.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. The City also wishes the audit plan to include a closer examination of the purchasing accounting practices of the 50th District Court in addition to a standard audit.

7. Identification of Anticipated Potential Audit Problems

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

8. Total All-Inclusive Maximum Cost

The proposal should contain all pricing information relative to performing the financial statement audit engagement as described in this RFP. Pricing should include an estimate of total staff hours broken down between partner, manager and staff accountants. The total all-inclusive maximum price is to contain all direct and indirect costs including all travel and out-of-pocket expenses.

In addition, the proposal should also contain all pricing information in the event of a Uniform Guidance Single Audit requirement. Also, all pricing information for meeting the requirements of a Comprehensive Annual Financial Report.

The cost should be fully specified for each year of the proposed contract. The cost of the first year of engagement shall be fixed and not adjustable.

As an alternative to stating a fixed cost for continuing years, escalators (e.g. CPI) may be used, but are not required, for the fourth and following years. Changes to future costs may be considered in response to specific required changes in auditing standards or reporting that directly affect the firm's costs. The City expects to be consulted on any such changes as far in advance as possible.

9. Conflict of Interest

The firm must indicate any potential conflict of interest that exists concerning their ability to respond to this RFP. This includes a description of the firm's relationship to the City or any of its employees, officers, agents, or agencies, component units, or oversight unit(s), together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services in the proposal. Pursuant to the provisions of Public Act 317 of 1968, as amended (MCL 15.321 et seq.),

no contracts shall be entered into between the firm and the City including all agencies and departments thereof, and any employee or officer of the City.

EVALUATION PROCEDURES:

Proposals will be evaluated and ranked. The City of Pontiac reserves the right to reject any and all proposals, to make an award based directly on the proposals or to negotiate further with one or more firms. The firm(s) selected will be chosen on the basis of the apparent greatest benefit to the City, including but not limited to:

1. Experience and performance on comparable projects.
2. The capacity of the organization to provide the services outlined in the RFP.
3. The responsiveness of the proposal to the requirements and all terms of the RFP.
4. The proposed costs for services.
5. Any other information deemed relevant by the City.

The proposal should address all the requirements outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward concise description of the firm's capabilities to satisfy the requirements of the request for proposal. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from vendors, or to allow correction of errors or omissions. At the discretion of the City, vendors submitting proposals may be requested to make oral presentations as part of the evaluation process. Reasonable advance notice will be provided to selected vendors. Not all vendors submitting a proposal will be asked to participate in oral presentations.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether or not that proposal is selected. The City also reserves the right to reject any and all proposals, award the contract to other than the lowest priced vendor, and to waive irregularities and/or formalities and informalities. In addition, the City has the right to accept any proposal, which in its judgement best serves the City's interests. Submission of a proposal indicates acceptance by the vendor 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 and the selected vendor.

CONTRACT FOR [TYPE OF SERVICE]

1) Parties. The parties to this contract are the City of Pontiac, Michigan hereinafter referred to as the "City", and [NAME OF CONTRACTOR] hereinafter called the "Contractor".

2) Purpose. The purpose of this contract is for the City to engage the Contractor to provide [TYPE OF SERVICE] to the City (see Scope of Services below).

3) Scope of Services. The Contractor will provide all labor, materials, supplies, equipment and supervision to perform [TYPE OF SERVICE] in the City. The Contractor is to perform all work in accordance with generally accepted standards and practices.

4) General Terms and Conditions. This contract is hereby made subject to the terms and conditions included in the Scope of Services (see Exhibit "A" below) and Additional Terms and Conditions (see Exhibit "B" below).

5) Consideration. As consideration for the performance of the services referenced in the Scope of Services (see Exhibits "A" & "B" below), the City agrees to compensate the Contractor as follows:

[INSERT PAYMENT TERMS PER CONTRACT]

6) Period of Performance. This contract will become effective for the period beginning Fiscal Year 2017-18 (year ending June 30, 2018 and will be effective for a period of three years, with an option to renew it up to more years upon the approval and signature of the parties hereto.

7) Method of Payment. Contractor will be paid 30 days after completion of work as outlined in the Scope of Services after submission of a valid invoice.

8) Applicable Law. This contract shall be governed by and construed in accordance with the laws of the City of Pontiac, State of Michigan and applicable federal laws.

9) Compliance with Laws. The Contractor understands that the City is an equal opportunity employer and, therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and the Contractor agrees during the term of the agreement that the Contractor will strictly adhere to this policy in its employment practices and provision of services. The Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Michigan, and City of Pontiac laws and regulations, as now existing and as may be amended or modified.

10) Requirements contract. During the period of the contract, the Contractor shall provide all the services described in the contract. The Contractor understands and agrees that this is a requirements contract and that the City shall have no obligation to the Contractor if no services are required.

EXHIBIT "A"

SCOPE OF SERVICES

The Contractor shall provide [TYPE OF SERVICE].

Except as otherwise provided herein, Contractor shall furnish all labor, supervision and services necessary to properly execute and complete the work.

[INSERT SPECIFICS OF RFP HERE]

EXHIBIT "B"

ADDITIONAL TERMS AND CONDITIONS

- 1) Attorneys' fees and expenses. Subject to other terms and conditions of this contract, in the event the Contractor defaults in any obligation under this contract, the Contractor shall pay to the City all costs and expenses (including, without limitation, investigative fees, court costs, and attorneys' fees) incurred by the City in enforcing this contract or otherwise reasonably related thereto. Contractor agrees that under no circumstances shall the City be obligated to pay any attorneys' fees or costs of legal action to the Contractor.
- 2) Authority to contract. The Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this contract; (b) that it is qualified to do business and in good standing in the State of Michigan; (c) that entry into and performance under this contract is not restricted or prohibited by any loan, security, financing, contractual, or other contract of any kind; and, (d) notwithstanding any other provision of this contract to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this contract.
- 3) Confidential information. Disclosure of any confidential information by the Contractor or its subcontractor without the express written approval of the City shall result in the immediate termination of this contract.
- 4) Confidentiality. Notwithstanding any provision to the contrary contained herein, it is recognized that the City of Pontiac is a public City of the State of Michigan and is subject to the laws regarding confidentiality. If a public records request is made for any information provided to the City pursuant to the contract, the City shall promptly notify the disclosing party of such request and will respond to the request only in accordance with the procedures and limitations set forth in applicable law. The disclosing party shall promptly institute appropriate legal proceedings to protect its information. No party to the contract shall be liable to the other party for disclosures of information required by court order or required by law.
- 5) Contractor personnel. The City shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by the Contractor. If the City reasonably rejects staff or subcontractors, the Contractor shall provide replacement staff or subcontractors satisfactory to the City in a timely manner and at no additional cost to the City. The day-to-day supervision and control of the Contractor's employees and subcontractors is the sole responsibility of the Contractor. Contractor personnel are subject to background checks by the Oakland County Sheriff Department and shall comply with all requirements as outlined in the Request for Quote.

- 6) Insurance. Insurance companies, named insureds and policy forms shall be subject to the approval of the City of Pontiac Department of Finance. Such approval shall not be unreasonably withheld. Insurance policies shall not contain endorsements or policy conditions, which reduce coverage provided to the City of Pontiac. Contractor shall be responsible to the City of Pontiac or insurance companies insuring the City of Pontiac for all costs resulting from both financially unsound insurance companies selected by Contractor and their inadequate insurance coverage. Contractor shall furnish the City of Pontiac Finance Department with satisfactory certificates of insurance or a certified copy of the policy, if requested by the Finance Department.
- 7) Ineligibility and suspension. The Contractor certifies to the best of its knowledge and belief, that it: (a) is not presently ineligible, suspended, proposed for ineligibility, declared ineligible, or voluntarily excluded from covered transaction by any federal department or the City or any political subdivision of the City or the State of Michigan; (b) has not, within a three year period preceding this proposal, been convicted of or had civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; (c) has not, within a three year period preceding this proposal, been convicted of or had civil judgment rendered against it for a violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (d) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of these offenses enumerated in paragraphs (b) and (c) of this certification; and, (e) has not, within a three year period preceding this proposal, had one or more public transactions (federal, state, or local) terminated for cause or default.
- 8) Disclosure of confidential information. In the event that either party to this contract receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the termination or completion of this contract.
- 9) Exceptions to confidential information. The Contractor and the City shall not be obligated to treat as confidential and proprietary any information disclosed by the other party ("disclosing party") which: (a) is rightfully known to the recipient prior to negotiations leading to this contract, other than information obtained in confidence under prior engagements; (b) is generally known or easily ascertainable by nonparties of ordinary skill in the business of the customer; (c) is released by the disclosing party to any other person, firm, or entity (including governmental agencies or bureaus) without restriction; (d) is independently developed by the recipient without any reliance on confidential information; (e) is or later becomes part of the public domain or may be

lawfully obtained by the City or the Contractor from any nonparty; or, (f) is disclosed with the disclosing party's prior written consent.

10) Default. If the Contractor:

- a) Fails to supply complete labor and supervision in sufficient time and quantity to meet the City's progress schedule, as it may be modified:
- b) Causes stoppage or delay of, or interference with, the project;
- c) Fails to promptly pay its employees for work on the project;
- d) Fails to pay worker's compensation or other employee benefits, withholding or any other taxes;
- e) Fails in performance or observance of any of the provisions of the contract;

Then City, after giving Contractor written or oral (subsequently confirmed in writing) notice of such default and forty-eight (48) hours within which to cure such default, shall have the right to exercise any one or more of the following remedies:

- a) Require that Contractor utilize, at its own expense, additional labor, overtime labor (including Saturday and Sunday work) and additional shifts as necessary to overcome the consequences of any delay attributable to Contractor's default.
- b) Remedy the default by whatever means City may deem necessary or appropriate, including, but not limited to, correcting, furnishing, performing or otherwise completing the work, or any part thereof, through others and deducting the cost thereof from any monies due or to become due to Contractor hereunder;
 - i) After giving Contractor an additional forty-eight (48) hours written (or oral, subsequently confirmed in writing) notice, terminate this Contract, without thereby waiving or releasing any rights or remedies against Contractor or its sureties, and, by itself or through others; and
 - ii) Recover all reasonable attorneys' fees suffered or incurred by City by reason of, or as a result of, Contractor's default.

11) Failure to enforce. Failure by the City at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the City to enforce any provision at any time in accordance with its terms.

- 12) Force majeure. Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include without limitation acts of God, strikes, lockouts, riots, and acts of war, epidemics, and governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the “force majeure events”). When such a cause arises, the Contractor shall notify the City immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to force majeure events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the City determines it to be in its best interest to terminate the contract.
- 13) Indemnification. The Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the City, its commissioners, board members, officers, employees, agents, representatives, and the State of Michigan, to the extent no greater than its relative degree of fault.
- 14) Independent contractor status. The Contractor shall, at all times, be regarded as and shall be legally considered an independent contractor and shall at no time act as an agent for the City. Nothing contained herein shall be deemed or construed by the City, the Contractor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the City and the Contractor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the City or the Contractor hereunder creates, or shall be deemed to create, a relationship other than the independent relationship of the City and the Contractor. The Contractor’s personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the City or the State of Michigan. Neither the Contractor nor its employees shall, under any circumstances be considered servants, agents, or employees of the City and the City shall be at no time legally responsible for any negligence or other wrongdoing by the Contractor, its servants, agents, or employees. The City shall not withhold from the contract payments to the Contractor any federal or state unemployment taxes, federal or state income taxes, social security tax, or any other amounts for benefits to the Contractor. Further, the City shall not provide to the Contractor any insurance coverage or other benefits, including worker’s compensation, normally provided by the City for its employees.
- 15) Oral statements. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. All modifications to the contract shall be made in writing by the City and agreed to by the Contractor.
- 16) Ownership of documents and work papers. The City shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in

connection with the project which is the subject of this contract, except for the Contractor's internal administrative and quality assurance files and internal project correspondence. The Contractor shall deliver such documents and work papers to the City upon termination or completion of the contract. The foregoing notwithstanding, the Contractor shall be entitled to retain a set of such work papers for its files. The Contractor shall be entitled to use such work papers only after receiving written permission from the City and subject to any copyright protections.

17) Priority. The contract consists of this contract with exhibits. Any ambiguities, conflicts or questions of interpretation of this contract shall be resolved by first, reference to this contract with exhibits and, if still unresolved, by reference to the bid. Omission of any term or obligation from this contract shall not be deemed an omission from this contract if such term or obligation is provided for elsewhere in this contract.

23) Severability. If any part of this contract is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the contract that can be given effect without the invalid or unenforceable provision, and to this end the provisions hereof are severable. In such event, the parties shall amend the contract as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.

24) Termination for convenience clause.

a) The City reserves the absolute right to terminate the contract in whole or in part, for the convenience of the City at its sole discretion on thirty (30) days written notice to the Contractor. The City has the right, upon its sole discretion only, to terminate the contract with cause by giving notice to the Contractor of such termination, specifying the effective date thereof, at least fourteen (14) days before the effective date of such termination, and the Contract shall terminate in all respects as if such date were the date originally given for the expiration of the Contract.

b) The Contractor shall be liable to the City for damages sustained by the City by virtue of any breach of the Contract by the Contractor, and any costs the City might incur enforcing or attempting to enforce the Contract, and the City may pursue legal remedies in the collection of fees to compensate for the damages sustained by the City.

c) Contractor's Obligations. The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The City may direct the Contractor to assign the Contractor's right, title, and interest

under terminated orders or subcontracts to the State of Michigan. The Contractor shall still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

25) Termination for default clause.

- a) Default. If the Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the City may notify the Contractor in writing of the delay or nonperformance and if not cured in ten days or any longer time specified in writing by the City, the City may terminate the Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the City may procure similar supplies or services in a manner and upon terms deemed appropriate by the City. The Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.
- b) Compensation. Payment for completed services delivered and accepted by the City shall be at the contract price. The City may withhold from amounts due the Contractor such sums as the City deems to be necessary to protect the City against loss because of outstanding liens or claims of former lien holders and to reimburse the City for the excess costs incurred in procuring similar goods and services.
- c) Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if the Contractor has notified the City within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State of Michigan and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the Contractor shall not be deemed to be in default, unless the services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the Contractor to meet the contract requirements. Upon request of the Contractor, the City shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Contractor's progress and performance would have met

the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the City under the clause entitled "Termination for Convenience." (As used in this paragraph, the term "subcontractor" means subcontractor at any tier).

- d) **Erroneous Termination for Default.** If, after notice of termination of the Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (d) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience by the City, be the same as if the notice of termination had been issued pursuant to such clause.
- e) **Additional Rights and Remedies.** The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

26) **Termination upon bankruptcy.** This contract may be terminated in whole or in part by the City upon written notice to the Contractor, if the Contractor should become the subject of bankruptcy or receivership proceedings, whether voluntary or involuntary, or upon the execution by the Contractor of an assignment for the benefit of its creditors. In the event of such termination, the Contractor shall be entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.

27) **Third party action notification.** The Contractor shall give the City prompt notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any entity that may result in litigation related in any way to this contract.

28) **Waiver.** No delay or omission by either party to this contract in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this contract shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this contract will void, waive, or change any other term or condition. No waiver by one party to this contract of a default by the other party will imply, be construed as, or require waiver of future or other defaults.

29) **Taxes and Contributions.** The Contractor hereby accepts and assumes exclusive liability for and shall indemnify, protect and save harmless the City from and against the payment of:

- a) Contractor agrees to contact the City of Pontiac Income Tax Division, 47450 Woodward, Pontiac, Michigan 48342, to establish reporting and withholding

obligations under the City of Pontiac Income Tax Ordinance. Contractors will require the same of all subcontractors employed to perform any work in the City of Pontiac.

- b) All contributions, taxes or premiums (including interest and penalties thereon) which may be payable under the Unemployment Insurance Law of any State, the Federal Social Security Act, Federal, State, County and/or Municipal Tax Withholding Act, Federal, State, County and/or Municipal Tax Withholding Laws, or any other law, measured upon the payroll of or required to be withheld from employees by whomsoever employed or engaged in the work to be performed and furnished under this contract.
- 30) Bonds. The Contractor is required to execute bonds, with sureties acceptable to the City, as identified in the specifications, all of which are incorporated into this agreement.
- 31) Conflict of Interest or representation. Contractor certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Contractor further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

Contractor agrees to advise the City if Contractor has been or is retained to handle any matter in which its representation is adverse to the City. The City's prospective consent to the Contractor's representation of a client in matters adverse to the City, as identified above, will not apply in any instance where, as the result of Contractor's representation, the Contractor has obtained sensitive, proprietary or otherwise confidential information of a non-public nature that, if known to another client of the Contractor, could be used in any such other matter by the other client to the material disadvantage of the City. Each matter will be reviewed on a case by case basis.

In witness whereof, the parties hereto have affixed, on duplicate originals, their signatures on the date indicated below, after first being authorized so to do.

[CONTRACTOR]

DATE

Sign: _____

Print: _____

Title: _____

City of Pontiac

DATE

Sign: _____

Print: _____

Title: _____