

PROFESSIONAL SERVICES CONTRACT

FIFTH AMENDMENT

THIS FIFTH AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT ("Amendment") is effective as of this 20th day of June, 2019, by and between THE CITY OF EMERYVILLE, a municipal corporation, ("City") and LANCE, SOLL, & LUNGARD, LLP ("Contractor"), individually referred to as a "Party" and collectively as the "Parties."

WITNESSETH THAT

WHEREAS, the City and Contractor entered into a Professional Services Contract dated February 2, 2010 ("Contract") for the purpose of retaining the services of Contractor to provide auditing services for fiscal years 2009-2010 through 2013-2014; and

WHEREAS, the City and Contractor desire to amend the Contract; and

WHEREAS, the public interest will be served by this Amendment.

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

1. AMENDMENT

The Parties agree to amend the Contract as checked below:

1.1 Exhibit A

- ☒ Exhibit A of the Contract is hereby amended in its entirety and replaced with Exhibit A-5;

OR

- ☐ Exhibit A of the Contract is hereby amended to include the provisions of Exhibit A- , attached hereto and incorporated herein by this reference.

1.2 Termination Date

- ☒ The Parties desire to extend the termination date. Section 1.3 of the Contract is hereby amended to extend the termination date to **JUNE 30, 2020.** *juw*

FOR CITY USE ONLY			
Contract No.	18178-0510-FN01	CIP No.	N/A
Resolution No.	19-44	Project No.	N/A

**1.3 Total Compensation Amount**

- ☒ The Parties desire to increase the Total Compensation Amount as set forth in Section 3.2 of the Contract by **ONE HUNDRED FOURTEEN THOUSAND ONE HUNDRED FORTY DOLLARS AND NO CENTS (\$114,140)**. The total amount paid under the Contract as compensation for Services performed and reimbursement for costs incurred shall not, in any case, exceed **ONE MILLION ONE HUNDRED SIX THOUSAND FIVE HUNDRED NINETY-THREE DOLLARS AND NO CENTS (\$1,106,593)**.

**2. CONTINUING EFFECT OF CONTRACT**

Except as amended by this Amendment, all other provisions of the Contract remain in full force and effect and shall govern the actions of the Parties under this Amendment. From and after the date of this Amendment, whenever the term "Contract" appears in the Contract, it shall mean the Contract as amended by this Amendment.

**3. ADEQUATE CONSIDERATION**

The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment

**4. SEVERABILITY**

If any portion of this Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect

**5. WAIVER**

The City's failure to enforce any provision of this Amendment or the waiver in a particular instance shall not be construed as a general waiver of any future breach or default.

**SIGNATURES ON FOLLOWING PAGE**

6. **SIGNATURE PAGE TO PROFESSIONAL SERVICES CONTRACT  
FIFTH AMENDMENT**

**IN WITNESS WHEREOF** the City and the Contractor have executed this Contract,  
which shall become effective as of the date first written above.

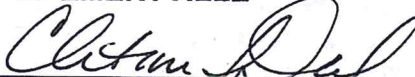
Approved As To Form:

  
City Attorney

Dated:

June 20, 2019


**CITY OF EMERYVILLE**

  
Christine S. Daniel, City Manager

Dated:

\_\_\_\_\_, 2019

**LANCE, SOLL, & LUNGHARD, LLP**

  
Bryan Gruber, Partner (Signature)



December 26, 2018

Susan Hsieh, CPA  
Finance Director  
City of Emeryville

Dear Ms. Hsieh,

As you are aware, our contract with the City of Emeryville for auditing services expired with the fiscal year ending June 30, 2018. Over the years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Emeryville. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed various compliance audits which included the federal single audit, child care audit, and county measures.
- Prepared various state controller reports including financial transaction reports and the street report.

We have made it an *absolute priority* to provide the City of Emeryville with the best service available and we would like to continue to provide this level of service to the City. Since LSL specializes in the audits of cities and has an extensive government services staff, we provide for staff rotation on your engagement so that the City will always receive a fresh look at its system and records. This coupled with the knowledge base we have gained from working with the City over the years, provides for optimal audit services.

We would like to propose a one-year extension plus one additional option year to our original agreement to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for the next year. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.

Again, LSL CPAs looks forward to continue to provide quality services to the City of Emeryville. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

*Lance, Soll & Lughard, LLP*

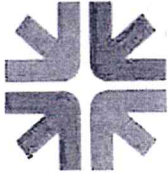
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



CITY OF EMERYVILLE  
LSL CPAs – Quote for Audit Services  
Appendix A

FEES	2018-2019	2019-2020
City Audit	\$80,700	\$82,000
Successor Housing Compliance	5,150	5,200
GANN Limit Review Report	810	825
Child Development	8,425	8,600
Measure B, VRF, and BB (\$2,750 each)	8,250	8,415
State Controller Report	2,580	2,630
Street Report	2,000	2,050
Single Audit (if required)	6,225	6,350
<b>Total</b>	<b>\$114,140</b>	<b>\$116,070</b>



**EXHIBIT B**  
**Contract Insurance Requirements**

As used in this Exhibit B, Contractor refers to **Lance, Soll & Lunghard, LLP**.

**1. MINIMUM REQUIREMENTS**

Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work or Services required by the Contract hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage, as checked below:

**1.1 Minimum Scope of Insurance**

Coverage shall be at least as broad as the latest version of the following:

- ☒ **General Liability**  
Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01).
- ☒ **Automobile Liability**  
Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto) or if Contractor owns no vehicles, this requirement may be met through a non-owned auto endorsement to the General Liability Policy.
- ☒ **Professional Liability / Errors and Omissions**  
Written on a policy form specifically designed to protect against acts, errors or omissions of the Contractor wherein "Covered Professional Services" as designated in the policy must specifically include Services performed under this Contract.
- ☒ **Workers' Compensation and Employer's Liability**  
Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.
- ☐ **Pollution Liability Insurance**  
Pollution Liability insurance for claims arising from the discharge, dispersal release or escape or any irritant or contaminant into or upon land, any structure, the atmosphere, watercourse or body of water, including groundwater. This shall

include on and off-site clean up and emergency response costs and claims arising from above ground and below ground storage tanks.

## 1.2 Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- ☒ **General Liability (All Contract Types)**  
\$1,000,000.00 per occurrence and \$2,000,000.00 aggregate for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability.
- ☐ **General Liability (Construction Specific)**  
\$2,000,000.00 per occurrence and \$4,000,000.00 aggregate for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability, and coverage for explosion, collapse and underground property damage hazards.
- ☒ **Automobile Liability**  
\$2,000,000.00 per accident for bodily injury and property damage.
- ☒ **Professional Liability / Errors and Omissions**  
\$2,000,000.00 per claim and aggregate.
- ☒ **Workers' Compensation and Employer's Liability**  
Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000.00 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease.
- ☐ **Pollution Liability Insurance**  
\$2,000,000.00 per occurrence and \$2,000,000.00 aggregate.

Except for the professional liability / errors and omissions policy, defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the Parties required to be named as additional insureds pursuant to this Contract.

## 2. INSURANCE ENDORSEMENTS

The insurance policies shall contain the following provisions, if checked, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions, if checked, to the insurance policies:

- ☒ **General Liability**  
(1) Such policy shall provide the City, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 or CG20 37, or endorsements providing the exact same coverage, with

respect to the work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

☒ **Automobile Liability**

(1) Such policy shall provide the City, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

☒ **Professional Liability Coverage**

Any policy inception date, continuity date, or retroactive date must be before the effective date of this Contract and Contractor agrees to maintain continuous coverage through a period no less than three years after termination of the Contract.

☒ **Workers' Compensation and Employer's Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

☐ **Pollution Liability Coverage**

(1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status with respect to claims arising from the discharge, dispersal release or escape or any irritant or contaminant into or upon

land, any structure, the atmosphere, watercourse or body of water, including groundwater; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

### **ALL COVERAGES**

Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and authorized volunteers.

### **3. SEPARATION OF INSURED; NO SPECIAL LIMITATIONS**

All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and authorized volunteers.

### **4. DEDUCTIBLES AND SELF-INSURANCE RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

### **5. ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a current A.M. Best's rating no less than A-:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

### **6. VERIFICATION OF COVERAGE**

Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The

certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

## **7. SUBCONTRACTORS**

All subcontractors shall meet the requirements of this Section before commencing any work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

## **8. REPORTING OF CLAIMS**

Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the work performed under this Contract.



**PROFESSIONAL SERVICES AGREEMENT**

**FOURTH AMENDMENT**

**THIS FOURTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT** ("Amendment") is effective as of this 16th day of May, 2018, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **Lance, Soll & Lunghard, LLP** ("Consultant"), collectively referred to as the "Parties."

**WITNESSETH THAT**

**WHEREAS**, the City and Consultant entered into a Professional Services Agreement ("Agreement") effective February 2, 2010 (pursuant to Resolution No. 10-16), whereby Consultant performed auditing services for fiscal years 2009-2010 through 2013-2014; and

**WHEREAS**, City and Consultant entered into a first amendment to the Professional Services Agreement, effective September 1, 2015, for audit services for fiscal year 2014-2015; and

**WHEREAS**, City and Consultant entered into a second amendment to the Professional Services Agreement, effective May 19, 2016 for audit services for fiscal year 2015-2016; and

**WHEREAS**, City and Consultant entered into a third amendment to the Professional Services Agreement, effective April 17, 2017 for audit services for fiscal year 2016-2017; and

**WHEREAS**, the City desires to extend the Agreement for an additional one- year period for audit services for fiscal year 2017-2018; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the services necessary to do the work contemplated under this Amendment; and

**WHEREAS**, the City has determined that the Consultant is qualified by training and experience to render such services; and

**WHEREAS**, the Consultant desires to provide such services and has submitted a proposal date of January 8, 2018, with the approved proposal attached and incorporated as Exhibit A; and,

FOR CITY USE ONLY			
Contract No.	17156-0410-FN01	CIP No.	N/A
Resolution No.	18-82	EPW No.	N/A

WHEREAS, the public interest will be served by this Amendment; and

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

- A. Paragraph I.B. of the Agreement, "Scope of Services," is hereby amended to include the scope of services described in Exhibit A.
- B. Paragraph III.B of the Agreement, "Compensation and Method of Payment", is hereby amended to increase compensation for audit services under the Agreement by an additional amount not to exceed \$110,735, for a total amount not to exceed \$992,453. Paragraph III.B. is hereby amended in its entirety to read as follows:

The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case exceed Nine Hundred Ninety-Two Thousand Four Hundred Fifty-Three Dollars (\$992,453), except as outlined in Section 2.C above.

- A. All other provisions of the Agreement shall remain in full force and effect, and this Amendment shall remain subject to said promises.
- B. The Effective Date of this Amendment is the date on which the Amendment is executed on behalf of the City.

#### **WAIVER OF AGREEMENT**

The City's failure to enforce any provision of this Amendment or the waiver in a particular instance shall not be construed as a general waiver of any future breach or default.

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**IN WITNESS WHEREOF** the City and the Consultant have executed this Amendment, which shall become effective as of the date the City Manager executes this Amendment on behalf of the City.

Approved As To Form:

  
\_\_\_\_\_  
Michael A. Guina, City Attorney

Dated: 7/25, 2018

**CITY OF EMERYVILLE**

  
\_\_\_\_\_  
Carolyn Lehr, City Manager  
James Holgersson, Interim City Manager  
**CONSULTANT**

Dated: 6/12, 2018

BY:   
\_\_\_\_\_

ITS: Bryan Gruber, Partner



January 8, 2018

Susan Hsieh, CPA  
Finance Director  
City of Emeryville

Dear Ms. Hsieh,

As you are aware, our contract with the City of Emeryville for auditing services expired with the fiscal year ending June 30, 2017. Over the years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Emeryville. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed various compliance audits which included the federal single audit, child care audit, and county measures.
- Prepared various state controller reports including financial transaction reports and the street report.

We have made it an *absolute priority* to provide the City of Emeryville with the best service available and we would like to continue to provide this level of service to the City. Since LSL specializes in the audits of cities and has an extensive government services staff, we provide for staff rotation on your engagement so that the City will always receive a fresh look at its system and records. This coupled with the knowledge base we have gained from working with the City over the years, provides for optimal audit services.

We would like to propose a one year extension to our original agreement to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for the next year. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.

Again, LSL CPAs looks forward to continue to provide quality services to the City of Emeryville. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

*Lance, Soll & Lungard, LLP*

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Signature

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Date



**CITY OF EMERYVILLE**  
**LSL CPAs – Quote for Audit Services**  
**Appendix A**

FEES	2017–2018
City Audit	\$78,329
Successor Agency Audit	15,000
Successor Housing Compliance	5,000
GANN Limit Review Report	786
Child Development	8,179
Measure B, VRF, and BB (\$2,652 each)	7,956
State Controller Report	2,505
Street Report	1,940
Single Audit (if required)	6,040
<b>Total</b>	<b>\$125,735</b>
Less Successor Agency Audit	- 15,000
<b>Total City</b>	<b>\$110,735</b>

## THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT

**THIS THIRD AMENDMENT** is effective as of this 17th day of April, 2017, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **Lance, Soll & Lunghard, LLP** ("Consultant"), collectively referred to as the "Parties".

### **WITNESSETH THAT:**

**WHEREAS**, City and Consultant entered into a Professional Services Agreement ("Agreement"), effective February 2, 2010 (pursuant to Resolution No. 10-16), whereby Consultant performed auditing services for fiscal years 2009-2010 through 2013-2014; and

**WHEREAS**, City and Consultant entered into a first amendment to the Professional Services Agreement, effective September 1, 2015, for audit services for fiscal year 2014-2015; and

**WHEREAS**, City and Consultant entered into a second amendment to the Professional Services Agreement, effective May 19, 2016 for audit services for fiscal year 2015-2016; and

**WHEREAS**, the City desires to extend the Agreement for an additional one- year period for audit services for fiscal year 2016-2017; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the Services necessary to do the work contemplated under this Third Amendment; and,

**WHEREAS**, the City has determined that the Consultant is qualified by training and experience to render such Services; and,

**WHEREAS**, the Consultant desires to provide such services and has submitted a proposal dated February 20, 2017, with the approved proposal attached and incorporated as Exhibit A; and

**WHEREAS**, the public interest will be served by this Third Amendment; and

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

1. Paragraph I.B. of the Agreement, "Scope of Services," is hereby amended to include the scope of services described in Exhibit A.
2. Paragraph III.B of the Agreement, "Compensation and Method of Payment", is hereby amended to increase compensation for audit services under the Agreement by an additional amount not to exceed \$123,663, for a total amount

FOR CITY USE ONLY			
Contract #:	16142-0310-FN01	CIP #:	N/A
Reso. #:	17-42	EPW #:	N/A

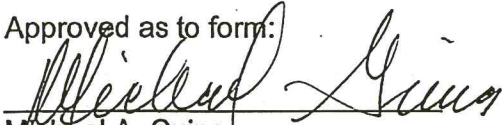
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not to exceed \$881,718. Paragraph III.B. is hereby amended in its entirety to read as follows:

The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case exceed Eight Hundred and Eighty-One Thousand and Seven Hundred and Eighteen Dollars (\$881,718), except as outlined in Section 2.C above.

3. All other provisions of the Agreement shall remain in full force and effect and this Third Amendment shall remain subject to said promises.

Approved as to form:

  
Michael A. Guina,  
City Attorney


CITY OF EMERYVILLE

Dated: 4-17, 2017

  
Carolyn Lehr,  
City Manager

CONSULTANT

Dated: 3/10, 2017

By:   
Its: BRYAN GRUBER, PARTNER



February 20, 2017

Susan Hsieh, CPA  
Finance Director  
City of Emeryville

Dear Ms. Hsieh,

As you are aware, our contract with the City of Emeryville for auditing services expired with the fiscal year ending June 30, 2016. Over the past several years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Emeryville. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed various compliance audits which included the federal single audit, child care audit, and county measures.
- Prepared various state controller reports including financial transaction reports and the street report.

We have made it an absolute priority to provide the City of Emeryville with the best service available and we would like to continue to provide this level of service to the City. Since we are familiar with your accounting system, we will be able to perform an efficient and effective audit under current audit standards, which will benefit the City with continuity of firm personnel and minimal disruption to City staff during the audit.

We would like to propose a new one year contract in order to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for one year. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.



Again, LSL CPAs looks forward to continue to provide quality services to the City of Emeryville. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

*Lance, Soll & Lughard, LLP*

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Signature

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Date

City of Emeryville  
LSL CPAs – Quote for Audit Services

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	<u>2016-2017</u>
City Audit	\$76,793
Successor Agency Audit	15,000
Successor Housing Compliance	5,000
GANN Limit Review Report	771
Child development	8,019
Measure B, VRF, and Measure BB (\$2,600 each)	7,800
State Controller Report	2,456
Street Report	1,902
Single Audit	<u>5,922</u>
Total	\$123,663

**SECOND AMENDMENT TO THE  
PROFESSIONAL SERVICES AGREEMENT**

**THIS SECOND AMENDMENT** is effective as of this 19 day of May, 2016, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **Lance, Soll & Lunghard, LLP** ("Consultant"), collectively referred to as the "Parties".

**WITNESSETH THAT:**

**WHEREAS**, City and Consultant entered into a Professional Services Agreement ("Agreement"), effective February 2, 2010 (pursuant to Resolution No. 10-16), whereby Consultant performed auditing services for fiscal years 2009-2010 through 2013-2014; and

**WHEREAS**, City and Consultant entered into a first amendment to the Professional Services Agreement, effective September 1, 2015, for audit services for fiscal year 2014-2015; and

**WHEREAS**, the City desires to extend the Agreement for an additional one-year period for audit services for fiscal year ~~2015-2016~~; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the Services necessary to do the work contemplated under this Second Amendment; and,

**WHEREAS**, the City has determined that the Consultant is qualified by training and experience to render such Services; and,

**WHEREAS**, the Consultant desires to provide such services and has submitted a proposal dated April 6, 2016, with the approved proposal attached and incorporated as Exhibit A; and

**WHEREAS**, the public interest will be served by this Second Amendment; and

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

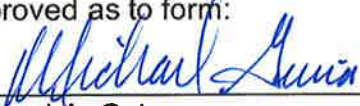
1. Paragraph I.B. of the Agreement, "Scope of Services," is hereby amended to include the scope of services described in Exhibit A.
2. Paragraph III.B of the Agreement, "Compensation and Method of Payment", is hereby amended to increase compensation for audit services under the Agreement by an additional amount not to exceed \$123,663, for a total amount not to exceed \$758,055. Paragraph III.B. is hereby amended in its entirety to read as follows:

FOR CITY USE ONLY			
Contract #:	15153-0210-FN01	CIP #:	N/A
Reso. #:	16-47	FPW #:	N/A

The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case exceed Seven Hundred Fifty-Eight Thousand and Fifty-Five Dollars (\$758,055), except as outlined in Section 2.C above.

3. All other provisions of the Agreement shall remain in full force and effect and this Second Amendment shall remain subject to said promises.

Approved as to form:

  
\_\_\_\_\_  
Michael A. Guina,  
City Attorney

**CITY OF EMERYVILLE**

Dated: 5-26, 2016

  
\_\_\_\_\_  
Carolyn Lehr,  
City Manager

**CONSULTANT**

Dated: MAY 20, 2016

By:   
\_\_\_\_\_

Its: BRYAN GRUBER, PARTNER, LSL CPAS



CPAs AND ADVISORS

April 6, 2016

Susan Hsieh  
Finance Director  
City of Emeryville

Dear Ms. Hsieh,

As you are aware, our contract with the City of Emeryville for auditing services expired with the fiscal year ending June 30, 2015. Over the past several years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Emeryville. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed a review and made recommendations on the internal control structure, which consists of the Control Environment, Accounting System, and Control Procedures. We have also provided assistance and information to City staff when required including helpful recommendations to management.

We have made it an absolute priority to provide the City of Emeryville with the best service available and we would like to continue to provide this level of service to the City. Since we are familiar with your accounting system, we will be able to perform an efficient and effective audit under current audit standards, which will benefit the City with continuity of firm personnel and minimal disruption to City staff during the audit.

We would like to propose a new one year contract in order to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for one year. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.



Again, LSL CPAs looks forward to continue to provide quality services to the City of Emeryville. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

*Lance, Soll & Lingham, LLP*

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Signature

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Date



## Appendix A

### City of Emeryville LSL CPAs – Quote for Audit Services

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	<b><u>2015-16</u></b>
City Audit	\$76,793
Successor Agency Audit	15,000
Successor Housing Compliance	5,000
GANN Limit Review Report	771
Child development	8,019
Measure B, VRF, and Measure BB (\$2,600 each)	7,800
State Controller Report	2,456
Street Report	1,902
<del>Single Audit</del>	<del>5,922</del>
<b>Total</b>	<b><u>\$123,663</u></b>

**FIRST AMENDMENT TO THE  
PROFESSIONAL SERVICES AGREEMENT**

**THIS FIRST AMENDMENT** is effective as of this 20<sup>th</sup> day of October, 2015, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **Lance, Soll & Lunghard, LLP** ("Consultant"), collectively referred to as the "Parties".

**WITNESSETH THAT:**

**WHEREAS**, City and Consultant entered into a Professional Services Agreement ("Agreement"), effective February 2, 2010 (pursuant to Resolution No. 10-16), whereby Consultant performed auditing services for fiscal years 2009-2010 through 2013-2014; and

**WHEREAS**, the City desires to extend the Agreement for an additional one- year period for auditing services for fiscal year 2014-2015; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the Services necessary to do the work contemplated under this First Amendment; and,

**WHEREAS**, the City has determined that the Consultant is qualified by training and experience to render such Services; and,

**WHEREAS**, the Consultant desires to provide such services and has submitted a proposal dated June 30, 2015, with the approved proposal attached and incorporated as Exhibit A; and

**WHEREAS**, the public interest will be served by this First Amendment; and

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

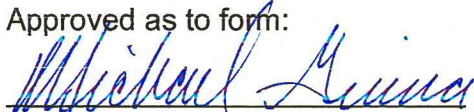
1. Paragraph I.B. of the Agreement, "Scope of Services," is hereby amended to include the scope of services described in Exhibit A.
2. Paragraph III.B of the Agreement, "Compensation and Method of Payment", is hereby amended to increase compensation for audit services under the Agreement by an additional amount not to exceed \$118,463, for a total amount not to exceed \$634,392. Paragraph III.B. is hereby amended in its entirety to read as follows:

The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case, exceed Six Hundred Thirty Four Thousand, Three Hundred Ninety Two Dollars (\$634,392), except as outlined in Section 2.C above.

FOR CITY USE ONLY			
Contract #:	15051-0110-FN01	CIP #:	n/a
Reso. #:	15-109	EPW #:	n/a

3. All other provisions of the Agreement shall remain in full force and effect and this First Amendment shall remain subject to said promises.

Approved as to form:



Michael A. Guina,  
City Attorney

**CITY OF EMERYVILLE**

Dated: 10-20, 2015



Carolyn Lehr,  
City Manager

**CONSULTANT**

Dated: \_\_\_\_\_, 20\_\_

By: 

Its: BYRON GRUBER, PARTNER  
LSL CAAS

**PROFESSIONAL SERVICES AGREEMENT**

**THIS AGREEMENT** is effective as of this \_\_\_\_ day of \_\_\_\_\_, 2010, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **LANCE SOLL & LUNGHARD, LLP** ("Auditor"), collectively referred to as the "Parties".

**WITNESSETH THAT:**

**WHEREAS**, the City desires to engage Auditor for audit services for Fiscal Years 2009-2010 through 2013-2014; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the services necessary to do the work contemplated under this Agreement; and,

**WHEREAS**, the City has determined that the Auditor is qualified by training and experience to render such services; and,

**WHEREAS**, the Auditor desires to provide such services; and,

**WHEREAS**, the public interest will be served by this Agreement; and,

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

**I. SCOPE OF SERVICES AND TERMINATION DATE**

**A. Project Description**

The City of Emeryville and its component unit, the Emeryville Redevelopment Agency, are required to engage the services of an outside independent auditor to conduct an annual audit of each agency and express an opinion on the fair presentation of each agency's financial statements in conformance with generally accepted accounting principals. In addition to the general audit of each agency, the City is required to engage an outside independent auditor to complete additional reports related to funding received from outside agencies.

**B. Services**

The services to be completed under this Agreement ("services") are outlined in Auditor's proposal of November 30, 2009, which is attached as Attachment A.

C. **Schedule and Completion Date:**

The services to be provided by Auditor under this Agreement shall commence on with the audit fieldwork for the 2009-2010 Fiscal Year and terminate upon completion of the audit and related reports for the 2013-2014 Fiscal Year.

II. **WORK CHANGES**

- A. The City reserves the right to order changes in the work to be performed under this Agreement by altering, adding to or deducting from the work. All such changes shall be incorporated in written change orders executed by the Auditor and the City. Such change orders shall specify the changes ordered and any necessary adjustment of compensation and completion time. If the parties cannot reach an agreement on the terms for performing the changed work within a reasonable time, to avoid delay or other unfavorable impacts as determined by the City in its sole discretion, the City shall have the right to determine reasonable terms and the Auditor shall proceed with the changed work.
- B. Any work added to the scope of this Agreement by a change order shall be executed under all the applicable conditions of this Agreement. No claim for additional compensation or extension of time shall be recognized unless contained in a change order duly executed on behalf of the City and the Auditor.
- C. The City Manager has authority to execute without further action of the City of Emeryville, any number of change orders so long as their total effect does not materially alter the terms of this Agreement or increase the total amount to be paid under this Agreement, as set forth in Section 3.B below. Any such change orders materially altering the terms of this Agreement or increasing the total amount to be paid under this Agreement in excess of \$25,000 must be approved by resolution of the City of Emeryville.

III. **COMPENSATION AND METHOD OF PAYMENT**

- A. City agrees to pay the Auditor for the services performed and costs incurred by Auditor upon certification by the City that the services were actually performed and costs actually incurred in accordance with the Agreement. Compensation for services performed and reimbursement for costs incurred shall be paid to the Auditor upon receipt and approval by the City of invoices setting forth in detail the services performed and costs incurred. The City shall pay the Auditor within forty-five (45) days after approval of the invoice by City staff.

- B. The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case, exceed **\$515,929** except as outlined in Section 2.C above. The compensation for services performed shall be **\$98,349** for each fiscal year for services provided for Fiscal Years 2009-2010 and 2010-2011. Increases for years three through five shall be limited to the San Francisco Bay Area Consumer Price Index change with a maximum increase of 4% for each year. Therefore, the fees for years three through five are not to exceed **\$102,283** for Fiscal Year 2011-12, not to exceed **\$106,356** for Fiscal Year 2012-13 and not to exceed **\$110,592** for Fiscal Year 2013-14.

#### IV. COVENANTS OF AUDITOR

A. Assignment of Agreement

The Auditor covenants and agrees not to assign or transfer any interest in, nor delegate any duties of this Agreement, without the prior express written consent of the City. As to any approved subcontractors, the Auditor shall be solely responsible for reimbursing them and the City shall have no obligation to them.

B. Responsibility of Auditor and Indemnification of City

It is the intent of the parties that the language of this Paragraph complies fully with the requirements of section 2782.8 of the California Civil Code as enacted by AB 573. To the fullest extent permitted by law, Auditor shall indemnify, defend, and hold harmless City and City's members, officers, agents, employees and volunteers, from and against any and all claims, losses, liabilities of every kind, nature and description, damages, injury (including without limitation injury to or death of an employee of Auditor or subconsultants), costs and expenses of any kind, whether actual, alleged or threatened, including, without limitation, incidental and consequential damages, court costs, reasonable attorneys' fees, litigation expenses, and fees of expert consultants or expert witnesses incurred in connection therewith and the costs of investigation, to the extent arising out of, pertaining to, or relating to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Auditor, any subconsultant, anyone directly or indirectly employed by them or anyone that they control, whether or not there is alleged to be concurrent negligence on the part of the City, but, excluding liability caused by the conduct of the City. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Auditor. This obligation to indemnify and defend the City, its members, officers, agents, employees and volunteers shall survive termination of this Agreement.

C. Independent Contractor

The Auditor hereby covenants and declares that it is engaged in an independent business and agrees to perform the services as an independent contractor and not as the agent or employee of the City. The Auditor agrees to be solely responsible for its own matters relating to the time and place the services are performed; the instrumentalities, tools, supplies and/or materials necessary to complete the services; hiring of consultants, agents or employees to complete the services; and the payment of employees, including compliance with Social Security, withholding and all other regulations governing such matters. The Auditor agrees to be solely responsible for its own acts and those of its subordinates and employees during the life of this Agreement.

D. Insurance

1. Requirements: The Auditor shall have and maintain in full force and effect for the duration of this Agreement, insurance insuring against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Auditor, its agents, representatives, employees or subcontractors. If requested, Auditor shall provide the City with copies of all insurance policies. These requirements are subject to amendment or waiver if so approved in writing by the City Manager.
2. Minimum Limits of Insurance: Auditor shall maintain limits no less than:
  - a. Commercial General Liability providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury with limits of not less than One Million Dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and, if required by City, products and completed operations coverage for the term of the policy.
  - b. Comprehensive Automobile Liability (owned, non-owned, hired) providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than One Million Dollars (\$1,000,000).
  - c. Workers' Compensation limits as required by the laws of the State of California and Employers Liability limits of not less than \$1,000,000 per accident.

No Workers' Compensation insurance shall be required if Auditor completes the following certification:

I certify that my business has no employees and that I do not employ anyone. I am exempt from the legal requirement to provide Workers' Compensation Insurance.

\_\_\_\_\_ (Auditor's initials)

- a. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and are subject to approval by the City.
- b. Other Insurance Provisions: The policy is to contain, or be endorsed to contain, the following provisions:
  - a. General Liability and Automobile Liability Coverage.
    - i. Auditor shall name the City, its officials, employees, agents and volunteers as additional insureds in its Commercial General Liability and Automobile Liability policies. If Auditor submits the ACORD Insurance Certificate, the additional insured endorsement must be set forth on a CG 20 10 11 85 form (or more recent) and/or CA 20 48 – Designated Insured Form (for business auto insurance); The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, agents or volunteers, except where limited by State laws.

When a certificate says, "certificate issued to" this does not mean the same as *additional insured* and is not acceptable.
    - ii. Auditor's insurance coverage shall be primary noncontributing insurance as respects to any other insurance or self-insurance available to the City, its officials, employees, agents or volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers shall be excess of the Auditor's insurance and shall not contribute with it.
    - iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees, agents or volunteers.
    - iv. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- v. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion.
    - vi. The insurer agrees to waive all rights of subrogation against the City, its officials, employees, agents and volunteers for losses arising from work performed by the Auditor for the City.
    - vii. All endorsements to policies shall be executed by an authorized representative of the insurer.
  - b. Workers' Compensation Coverage

The insurer will agree to waive all rights of subrogation against the City, its officials, employees, agents and volunteers for losses arising from work performed by the Auditor for the City.
  - c. All Coverages
    - i. Each insurance policy required by this clause shall be endorsed to state that City will be provided thirty (30) days written notice of cancellation or material change in the policy language or terms.
5. Acceptability of Insurers: Insurance is to be placed with insurers with an A.M. Best's rating of no less than A:VII.
6. Verification of Coverage: Auditor shall furnish the City with certificates of insurance and endorsements to the policies evidencing coverage required by this Agreement prior to the start of work. The certificates of insurance and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate of insurance and endorsements shall be on a form utilized by Auditor's insurer in its normal course of business and shall be received and approved by the City prior to execution of this Agreement by the City. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. The Auditor shall provide proof that any expiring coverage has been renewed or replaced at least two (2) weeks prior to the expiration of the coverage.
7. Subcontractors: Auditor shall either include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor demonstrating that subcontractors maintain insurance

coverage that meets the minimum scope and limits of insurance coverage required by this Agreement, including but not limited to naming the City, its officials, employees, agents and volunteers as additional insureds.

8. Claims-Made Policies. Auditor shall extend any claims-made insurance policy for at least 5 years after termination or final payment under the Agreement, whichever is later.

E. Records, Reports and Audits

1. Records

- a. Records shall be established and maintained by the Auditor in accordance with requirements prescribed by the City with respect to all matters covered by this Agreement. Except as otherwise authorized, such records shall be maintained for a period of three years from the date that final payment is made under this Agreement. Furthermore, records that are the subject of audit findings shall be retained for three years or until such audit findings have been resolved, whichever is later.
- b. All costs shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

2. Reports and Information: Upon request, the Auditor shall furnish to the City any and all statements, records, reports, data and information related to matters covered by this Agreement in the form requested by the City.
3. Audits and Inspections: At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Agreement. The Auditor will permit the City to audit, examine, and make excerpts or transcripts from such records, and to audit all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and or data relating to all matters covered by this Agreement.

**F. Conflicts of Interest**

The Auditor covenants and declares that, other than this Agreement, it has no holdings or interests within the City of Emeryville, nor business holdings or agreements with any official, employee or other representative of the City. For the duration of this Agreement, in the event the Auditor or its principals, agents or employees acquire such a holding, interest or agreement within the City of Emeryville or with any official, employee or representative of the City in the future, the Auditor will immediately notify the City of such holding, interest or agreement in writing.

**G. Confidentiality**

The Auditor agrees that such reports, information, opinions or conclusions shall not be made available to or discussed with any individual or organization, including the news media, without prior written approval of the City. The Auditor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City information whether deemed confidential or not.

**H. Discrimination Prohibited**

The Auditor covenants and agrees that in performing the services required under this Agreement, the Auditor shall not discriminate against any person on the basis of race, color, religion, sex, sexual orientation, national origin or ancestry, age or disability.

**I. Licenses, Certifications and Permits**

The Auditor covenants and declares that it has obtained all diplomas, certificates, licenses, permits or the like required of the Auditor by any and all national, state, regional, county, city or local boards, agencies, commissions, committees or other regulatory bodies in order to perform the services contracted for under this Agreement. All work performed by Auditor under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily expected of competent professionals.

**J. Authority to Contract**

The Auditor covenants and declares that it has obtained all necessary approvals of its board of directors, stockholders, general partners, limited partners or similar authorities to simultaneously execute and bind Auditor to the terms of this Agreement, if applicable.

**K. Ownership of Work**

All working papers prepared or in the process of being prepared for the services to be performed by the Auditor ("materials") shall be the property of the Auditor. The City shall be entitled to full access and copies of all such materials. The Auditor assumes all risk of loss, damage or destruction of or to such materials. The City shall have ownership of all deliverables. Auditor agrees to provide access of working papers to City or any successor auditors upon reasonable notice.

**L. LIVING WAGE**

Contracts in excess of \$25,000, which are not subject to a higher Prevailing Wage Rate, shall comply with the requirements of the City of Emeryville's Living Wage Ordinance as stated in the Municipal Code Chapter 5-31. Contractor shall promptly provide to the City documents and information verifying compliance with the requirements of this chapter, and sanctions for noncompliance. Contractor shall notify each of its affected employees with regards to wages that are required to be paid pursuant to this chapter.

Living Wage means no less than \$11.00 per hour including wages (as of July 2006, annual increases to be posted) and health benefits. If employer contributions for health benefits are not paid on an hourly basis, the employer must demonstrate to the City the hourly value of such benefits in order to receive credit for such payments to covered employees.

**V. TERMINATION**

- A.** The City shall have the right to terminate this Agreement for any reason whatsoever by providing written notice thereof at least five (5) calendar days in advance of the termination date.
- B.** All termination notice periods triggered pursuant to written notice shall begin to run from the date of the United States Postal Service postmark.
- C.** Upon termination, City shall provide for payment to the Auditor for services rendered and expenses incurred prior to the termination date.
- D.** Upon receipt of a termination notice the Auditor shall: (1) promptly discontinue all services affected, unless the notice directs otherwise; and (2) promptly deliver to the City all data, drawings, reports, summaries, and such other information and materials as may have been generated or used by the Auditor in performing this Agreement, whether completed or in process, in the form specified by the City.

- E. The rights and remedies of the City and the Auditor provided in this Section are in addition to any other rights and remedies provided under this Agreement or at law or in equity.

**VI. NO PERSONAL LIABILITY**

No member, official or employee of the City shall be personally liable to the Auditor or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Auditor or successor or on any obligation under the terms of this Agreement.

**VII. ENTIRE AGREEMENT**

This Agreement constitutes the complete agreement between the parties and supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter of this Agreement. No other agreement, statement or promise relating to the subject matter of this Agreement not contained in this Agreement shall be valid or binding. This Agreement may be modified or amended only by a written document signed by representatives of both parties with appropriate authorization.

**VIII. SUCCESSORS AND ASSIGNS**

Subject to the provision of this Agreement regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the respective parties.

**IX. APPLICABLE LAW AND ATTORNEY'S FEES**

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the rules, regulations, statutes and laws of the State of California will control. The prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which said party may be entitled.

**X. SEVERABILITY**

The caption or headnote on articles or sections of this Agreement are intended for convenience and reference purposes only and in no way define, limit or describe the scope or intent thereof, or of this Agreement nor in any way affect this Agreement. Should any article(s) or section(s), or any part thereof, later be deemed unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect to the extent possible.

**XI. BUSINESS LICENSE**

Prior to commencement of the services to be provided hereunder, Auditor shall apply to the City of Emeryville Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement, as provided in Article 1 of Chapter 1 of Title 3 of the Emeryville Municipal Code.

**XII. NOTICES**

**A. Communications Relating to Daily Activities**

All communications relating to the day to day activities of the work shall be exchanged between Karan Reid, Accounting Manager for the City and Don Parker for the Auditor.

**B. Official Notices**

All other notices, writings or correspondence as required by this Agreement shall be directed to the City and the Auditor, respectively, as follows:

**CITY**  
**Karan Reid**  
**1333 Park Avenue**  
**Emeryville, California 94602**  
**Phone No. (510) 596-4352**  
**Fax No. (510) 658-8095**  
**E-Mail kreid@emeryville.org**

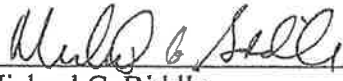
**AUDITOR**  
**Don Parker**  
**Lance Soll & Lunghard**  
**203 N. Brea Blvd. Suite 203**  
**Brea, CA 92821**  
**Phone No. (714) 672-0022**  
**Fax No. (714) 672-0331**  
**E-mail: donald.parker@slcpas.com**

**XIII. WAIVER OF AGREEMENT**

The City's failure to enforce any provision of this Agreement or the waiver in a particular instance shall not be construed as a general waiver of any future breach or default.

IN WITNESS WHEREOF the City and the Auditor have executed this Agreement, which shall become effective as of the date the City of Emeryville executes this Agreement on behalf of the City.

Approved as to form:

  
\_\_\_\_\_  
Michael G. Biddle  
City General Counsel *A Horney*

**CITY OF EMERYVILLE**

Dated: \_\_\_\_\_, 2010

\_\_\_\_\_  
Patrick D. O'Keeffe, City Manager

**AUDITOR**

Dated: \_\_\_\_\_ January 14, 2010

By:  \_\_\_\_\_

Its: \_\_\_\_\_ General Partner \_\_\_\_\_



CERTIFIED PUBLIC ACCOUNTANTS

Attachment A

• Brandon W. Burrows, C.P.A.  
• Donald L. Parker, C.P.A.  
• Michael K. Chu, C.P.A.  
• David E. Hale, C.P.A., C.F.P.  
A Professional Corporation  
• Donald G. Slater, C.P.A.  
• Richard K. Kikuchi, C.P.A.  
• Susan F. Matz, C.P.A.

November 30, 2009

Ms. Karan Reid,  
Accounting Manager  
City of Emeryville  
1333 Park Avenue  
Emeryville, CA 94608-3517

Regarding: Renewal of Professional Services for Fiscal Years  
2009-2010 through 2013-2014

Dear Karan:

The terms of our engagements with the City of Emeryville to perform auditing and accounting services expired with the 2008-2009 fiscal year.

We have endeavored to provide the City with the best services available and we would like to continue to provide this level of service. Since we specialize in governmental accounting and auditing we can offer a complete range of services to the City and its related entities. Other firms only provide auditing services and do not have the depth of services and experience we offer. In consideration of maintaining our professional relationship with the City, we have listed below the fees we would propose to continue our arrangement for the next five years.

We recognize that in the current economic environment that governmental entities are having difficult times and there is a need for stability in contractual arrangement. Since, the City and Agency are valued clients, we have maintained our proposed fees for the next two years at the fiscal year 2008-2009 levels with no fee increase. For the third through fifth year, we would hope to recover cost-of-living increases and we would increase our fees by the change in consumer price index, in the bay area, with a cap of not to exceed 4% to give the City and Agency some stability. The fees proposed would be as follows:



CERTIFIED PUBLIC ACCOUNTANTS

• Brandon W. Burrows, C.P.A.  
• Donald L. Parker, C.P.A.  
• Michael K. Chu, C.P.A.  
• David E. Hale, C.P.A., C.F.P.  
A Professional Corporation  
• Donald G. Slater, C.P.A.  
• Richard K. Kikuchi, C.P.A.  
• Susan E. Matz, C.P.A.

November 30, 2009

Ms. Karan Reid,  
Accounting Manager  
City of Emeryville  
1333 Park Avenue  
Emeryville, CA 94608-3517

Regarding: Renewal of Professional Services for Fiscal Years  
2009-2010 through 2013-2014

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