



CITY OF HUNTINGTON BEACH

REQUEST FOR PROPOSALS

Audit Services for City Concessions

Issued
June 13, 2005

Deadline for Proposals
4:00 PM
June 27, 2005

PURPOSE OF THE REQUEST FOR PROPOSALS (RFP)

To conduct an audit of the books of 13 City concessions to ensure proper reporting of revenues for the current and last fiscal years (2004-2005 and 2003-2004). This agreement would encompass auditing all concessions once during the term of the agreement.

To provide a report of the audit results within 30 days of completion of fieldwork including for each property a recommendation regarding the need for prior year audits.

To conduct an audit of prior years on an as-needed basis at the request of the City.

STANDARD RFP TERMS AND CONDITIONS

1. This RFP does not commit the City of Huntington Beach to award a contract. No other party, including any proposer, is intended to be granted any rights hereunder. Proposals which, in the sole discretion of the City, do not meet the minimum requirements, including without limitation the requisite licensures and the minimum proposal submission requirements, will not be reviewed. This RFP and the process it describes are proprietary to the City and are for the sole and exclusive benefit of the City. Any response, including written documents and verbal communication by any proposer to this RFP, will become the property of the City and if required by law may be subject to public disclosure by the City or any authorized agent of the City. The City is not liable for any costs associated with the development, preparation, transmittal or presentation of any proposal or material(s) submitted in response to this RFP.
2. It shall be the proposer's responsibility to review and verify the completeness of its proposal. The City may request additional or clarifying information or more detailed information from any proposer at any time, including information inadvertently omitted by a proposer. The City may request to inspect projects or contact clients referenced in the proposer's proposal. The City also reserves the right to conduct investigations with respect to the qualifications of a proposer.
3. Verbal communication made by any City employee or agent of the City with respect to this RFP is not binding and shall not in any way be considered as a commitment by the City. Only written responses to questions submitted in writing to the City or written addenda to this RFP issued by the City will be considered binding on the City.

4. City employees and officials are prohibited from responding to this RFP or being a party, direct or indirect, to any contract resulting from the RFP, and no proposal shall be accepted from, or contract awarded to, any City employee or official who submits a proposal or solicits any contract in which he or she may have any direct or indirect interest. No proposer may be a proposer to more than one proposal submitted pursuant to this RFP. Entities that are legally related to each other or to a common entity may not submit separate proposals. Any proposal may be rejected that, in the City's sole judgment, violates these conditions or the spirit of these conditions.
5. The City reserves and may exercise the following rights and options with respect to evaluation of proposals and selection for negotiation:
 - a) To reject any and all proposals and re-issue the RFP at any time prior to execution of a final contract if, in the City's sole discretion, it is in the City's best interest to do so;
 - b) To supplement, amend, substitute or otherwise modify this RFP at any time prior to selection of one or more respondents for negotiation and to cancel this RFP with or without issuing another RFP;
 - c) To accept or reject any or all of the items in any proposal and award the contract in whole or in part if it is deemed in the City's best interest to do so;
 - d) To reject the proposal of a proposer that, in the City's sole judgment, has been delinquent or unfaithful in the performance of any contract with the City or another government entity, is financially or technically incapable or is otherwise not a responsible proposer;
 - e) To reject as informal or non-responsive any proposal which, in the City's sole judgment, is incomplete, is not in conformity with applicable law, is conditioned in any way, deviates from this RFP or contains erasures, ambiguities, alterations, or items of work not called for by this RFP;
 - f) To waive any informality, defect, non-responsiveness and/or deviation from this RFP that is not, in the City's sole judgment, material to the proposal;

- g) To permit or reject, at the City's sole discretion, amendments (including information inadvertently omitted), modifications, alterations and/or corrections of proposals by some or all of the respondents following proposal submission;
 - h) To request that some or all of the proposers modify proposals based upon the evaluation of the City.
6. The City may enter into negotiations for a contract, on terms and conditions satisfactory to the City with one or more selected proposer(s). However, the City reserves the right to terminate any negotiations at any time or conduct simultaneous, competitive negotiations with multiple firms. The City reserves the right to negotiate acceptable terms in an otherwise unacceptable proposal. Such negotiations may result in changes in terms material to this RFP; in such an event, the City shall not be obligated to inform other proposers of the changes, or permit them to revise their proposals accordingly, unless the City, in its sole discretion, determines that doing so and permitting such is in the City's best interest. Should negotiations not prove satisfactory with the selected proposer(s), the City reserves the right to discontinue negotiations. Additional firms may be asked to enter into negotiations, and/or the City may solicit new proposals.

SCHEDULE OF EVENTS

Schedule of Events from Issuance of RFP to Award of Contract	
06/13/05	City Issues RFP
06/27/05	Proposals are due
07/08/05	Proposal Evaluation Completed
08/01/05	Notice to Proceed

BACKGROUND

Huntington Beach is a charter city, administered by a Council/Administrator form of government, encompassing an area of 28 square miles with a population of 196,700. The total annual City budget is approximately \$234 million, with the General Fund portion of the budget totaling approximately \$110 million.

There are currently 13 concessions under contract with the City to provide a variety of services and products to the public, such as food and equipment rental concessions at the Huntington City Beach, which remit to the City a portion of their revenue in lieu of a fixed rent. Attachment 1 provides a

sample concession agreement, reflecting how concessionaires are expected to account for their revenue and submit rent payments to the City.

SCOPE OF WORK

Auditor shall perform the following tasks:

- Coordinate with City staff for the scheduling of concession audits.
- Examine the accounting records of each concession at the concession location and provide City staff with detailed listing of all records made available and any records not made available by each concession for the audit.
- Prepare a report regarding the audit within 30 days of the completion of fieldwork and, as deemed advisable by the auditor, provide a recommendation regarding the need for prior year audits.
- Conduct prior year audit of concessions on an as-needed basis as determined by the City.

EXTRAORDINARY SERVICES

All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement the firm shall provide in writing and in advance the reasons for the additional services together with the firm's estimate of costs.

DUTIES OF THE CITY

The City will coordinate with the auditor for scheduling of said audits. City staff will provide all returns filed by the reporting properties. Selection of the specific entities to be audited each month will be the responsibility of the City. Real Estate Services staff members will be available to assist and advise auditors as needed.

ELIGIBILITY REQUIREMENTS

Applicants must have a demonstrated track record of being an equal opportunity employer.

Applicants must not be currently indebted to the federal government, State of California, or the City of Huntington Beach for non-payment of taxes, fines, judgments, liens, or fees.

PROPOSAL INSTRUCTIONS

Additional copies of this RFP, as well as copies of documents referenced in this RFP, may be obtained online at www.surfcity-hb.org. Also, copies may be obtained at the Office of Real Estate Services, 2000 Main Street, 5th Floor, Huntington Beach, CA 92648, or by calling the Office of Real Estate Services at (714) 536-5542.

Submission Date and Requirements

One original and two *unbound* copies of completed proposals must be submitted to:

**Office of Real Estate Services
2000 Main Street, 5th Floor
Huntington Beach, CA 92648
Attention: Tom Welch, Assistant Project Manager**

The following conditions apply to this submission:

- Proposals must be submitted by **4:00 PM, on June 27, 2005.**
- Proposals must be signed, in ink, by an individual duly authorized to bind the Proposer and must be sealed and labeled on the cover with the RFP title and Proposer's name.
- Proposals must be 1 1/2 spaced (or double-spaced) and in a font size of 12 or larger. ***Proposals typed single-spaced or in a font size smaller than 12 will not be accepted.***
- Proposals or proposal components ***will not*** be accepted via facsimile (fax) transmission.
- Proposals shall remain binding for 120 days from the date of proposal submission.
- The City reserves the right, at its sole discretion, to reject and return, without evaluation, any proposal received after the proposal submission time and date, whether it is delivered by mail or otherwise.

REQUIRED ELEMENTS OF PROPOSALS

Please include all of the following components of your proposal in the order indicated below. Maximum numbers of pages are indicated for several components, and proposals that contain elements that exceed the maximum number of pages will be rejected without review. The total proposal may not exceed 30 pages – excluding the requested sample contract.

- 1. Vendor Application** (Use form listed as Attachment 2)
- 2. Checklist for a Complete Submission** (Use form listed as Attachment 4)
- 3. Executive Summary & Statement of Offer** (Not to exceed 2 pages)

The executive summary should summarize the key elements of the entire proposal and be signed by an individual authorized to bind the consultant.

- 4. Organizational Background, Experience, and Structure** (Not to exceed 5 pages)

This section should include the following components:

- An overview of your firm.
- Staff who will be assigned to the audit. Include resumes with relevant experience of the lead person, supervisor, and manager. Resumes should highlight education, experience, licenses, and relevant project experience and specific responsibilities.

The purpose of this section is to describe the organization of the project team including any sub-consultants and key staff. A project manager should be named as the City's primary contact and be responsible for coordinating all activities with the City. An organizational chart shall be submitted showing all key team members and illustrating the relationship between the City, the project manager, key staff, and all sub-consultants. There also should be a brief description of the proposed roles and responsibilities of all key staff and sub-consultants identified in the team organization.

5. Client List (not to exceed 3 pages)

Identify similar audits performed over the past five years. If possible, at least one reference should be a public entity other than the City of Huntington Beach. Please include the following information:

- Names of key staff that participated on named projects and their specific responsibilities. (It is intended that projects listed in this section be limited to those that include the key staff that will be responsible for the proposed project.)
- The client's name, contact person, address, and telephone number.
- A brief description of type and extent of services provided.
- Completion dates (estimated, if not yet completed).
- Total cost of the project.

6. Scope of Services (Not to exceed 4 pages)

This section should include the following components:

- An overview of your proposed audit program, specifically addressing the Scope of Work. Describe the process involved in performing a successful audit.
- Describe what you would expect of the City for a successful audit.

7. Fees

In preparing the fee proposal for this project, take into consideration the following:

- Compensation for services provided in completing the tasks associated with the Scope of Work shall be based on a time and materials not-to-exceed basis.
- A work plan together with a breakdown of labor hours by employee billing classification together with the cost of non-labor and sub-consultant services shall be included with the fee proposal.
- The labor breakdown shall be compiled and be based on a listing of work tasks that correlates with the defined Scope of Work for the

project proposal. This information will be used by City staff to evaluate the reasonableness of the fee proposal.

- The consultant shall state the number of hours allotted in the fee amount for attending meetings.
- Should the amount of hours expended during these phases exceed the amount included in the fee quote, the consultant may be authorized to invoice the City for the additional hours upon first notifying the City that the budget limit for meetings has been reached. The City shall then determine whether additional hours for meetings will be authorized.
- The consultant's standard billing rates for all classifications of staff likely to be involved in the project shall be included with the fee proposal along with the mark-up rate for any non-labor expenses and sub-consultants.
- Describe reimbursable expenses and costs.

8. Additional Information

Include any additional information you consider to be relevant to your proposal.

Appendices

- Provide a sample of your firm's audit services agreement.
- Provide a detailed project schedule, which provides for timely completion of the project, including identifiable milestones, deliverables, and adequate periods for review by the City. There should be a brief discussion of any key assumptions used in preparing the timetable and identification of critical tasks and/or events that could impact the overall schedule.

REVIEW OF PROPOSAL RESPONSES

Review process

All proposals received by the deadline will be evaluated by a committee established by the Real Estate Services Manager. Upon the review and discussion of the quality and responsiveness of the proposals received, the committee will make recommendations to the Director of Community Services.

Notification of Awards

The following criteria will be used in evaluating the proposals for selecting a qualified consultant.

- Understanding of the project requirements including identification of elements and key issues.
- Technical approach and work plan for the project, including innovative approaches.
- Qualifications and experience of the firm, project manager, other key individuals, and sub-consultants.
- Results of reference checks. (Reference checks will only be conducted for a short list of firms or the top rated firm.)
- Clarity of proposal.
- Availability and commitment by the selected firm and the Project Manager to complete project in a timely manner.

The City may elect to interview a short list of qualified firms or to interview only the top rated firm based on the proposals submitted for the project.

ATTACHMENTS

1. Sample Concession Lease Agreement
2. Vendor Application Form
3. Summary of City of Huntington Beach Insurance Requirements
4. RFP Submission Checklist

**ATTACHMENT 1
SAMPLE CONCESSION LEASE AGREEMENT
(BEHIND THIS PAGE)**

**ATTACHMENT 2
CITY OF HUNTINGTON BEACH
VENDOR APPLICATION FORM**

TYPE OF APPLICANT: NEW CURRENT VENDOR

Legal Contractual Name of Corporation: _____

Name of Contact for this RFQ _____

Corporate Mailing Address: _____

City, State and Zip Code: _____

E-Mail Address _____

Phone: _____ Fax: _____

General Business

Contact Person for Appraisal Proposals: _____

Title: _____ E-Mail Address _____

Business Telephone: _____ Business Fax: _____

Is your business: (check one)

NON PROFIT CORPORATION FOR PROFIT CORPORATION

Is your business: (check one)

<input type="checkbox"/> CORPORATION	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> SOLE PROPRIETORSHIP
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Names and Titles of Corporate Officers

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Does your business have any liens or claims?

(If so, please indicate by whom and specify lien or claim, including any tax delinquencies)

Name of Company	Claim	Lien	Amount
_____	_____	_____	_____
_____	_____	_____	_____

Please provide the following:

Federal Tax Identification Number: _____

City of Huntington Beach Business License Number: _____

(If none, you must obtain a Huntington Beach Business License prior to execution of contract.)

ATTACHMENT 3
SUMMARY OF CITY OF HUNTINGTON BEACH
INSURANCE REQUIREMENTS

City Resolution 97-20 requires that licensees, lessees and vendors have an approved Certificate of Insurance (not a declaration or policy) on file with the City for the issuance of a permit or contract. Receipt of an insurance certificate does not satisfy these insurance requirements, which vary for private or public property and for contract purposes, or encroachment permits as well as consultant services. An original certificate is required or, if it is faxed, it must come directly from your insurance company/agent to Risk Management at (714) 536-5212.

- Private Property Work Permit Requirements. If the planned work does not involve public property or its right-of-way (e.g., sidewalk/street or abutment to same), the Workers' Compensation Certificate is the only insurance requirement. However, if the work abuts to public property, the City Attorney's Office must be informed for consideration of liability and decides whether or not to approve the certificate with a specific Private Property Only approval stamp.
- Encroachment (City/Public Property) Permit Requirements. General Liability and Workers' Compensation are required.
- Consultant Services. Professional Liability Insurance Certificate is required (i.e., Legal, architectural, etc.) in addition to a General Liability Insurance Certificate and Workers' Compensation Insurance Certificate.
- General Liability Insurance Certificate of \geq \$1,000,000 combined single limit/per occurrence

Additional Insured Endorsement must name the City of Huntington Beach, its agents, officers and employees as additionally insured and, when applicable, the Redevelopment Agency of the City of Huntington Beach must also be additionally insured.

The insured definition must include the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you. It is not to read, "...but only with respect to liability arising out of your ongoing operations performed for that insured.

Type of coverage must be "per occurrence" not "claims made". "Claims made" designation is only acceptable for professional or pollution liability insurance.

A brief description of work and/or nature of business and the related City department.

- Workers' Compensation Insurance Certificate of statutory amount. If you have no employees, you must sign a Declaration of Non-employee Status form available from the Risk Management Department. In lieu of a certificate of insurance, a certificate of Consent to Self-Insure issued by the California Director of Industrial Relations is also acceptable.
- Professional Liability Insurance Certificate of \$1,000,000 as applicable (i.e., consultant services, etc.)

Type of coverage "Claims Made" designation is acceptable for professional or pollution liability insurance.

In addition to the above, ALL CERTIFICATES MUST CONTAIN THE FOLLOWING:

Insurance Carrier Rating. Insurance must be placed with a California-admitted carrier with a current A.M. Best Rating of \geq A: VII

Certificate Holder. The City of Huntington Beach (2000 Main Street, Huntington Beach, CA 92648, Attn: Risk Management).

Deductible, Self-Insurance Retention (SIR), There is no acceptable deductible/SIR and all deductibles and/or SIRs must be listed on the certificate. If the deductible/SIR is to remain in force, the only alternative is to request a waiver of the zero requirement (see Waiver Procedure below).

30-day Cancellation Notice. There must be a thirty (30) day notice for policy cancellation. A ten (10) day notice for cancellation for non-payment of premiums and/or salary reporting is allowed in combination with the required 30-day notice except for Public Works contracts.

Cancellation Clause Wording. The following wording must either be removed or lined-out (by the insurance agent) if they appear on the certificate: "endeavor to" and "failure to mail such notice shall impose no obligation nor liability of any kind upon the company, its agents or representatives.

Waiver Procedure. In lieu of meeting the City's insurance requirements, a permittee can request a waiver of a specific requirement, which requires a brief description of the work, the dollar amount of the work/contract and the timeframe involved. Waiver process is dollar driven as follows:

\$1 - \$10,000 Completed waiver application form and approval of both the Risk Manager and the City Attorney.

\$10,001 - \$24,999 Completed waiver application form and approval of the Settlement Committee (meets on a weekly basis)

\$25,000+ Completed waiver application form, an approval recommendation by the Settlement Committee and City Council approval (meets first Tuesday monthly, items must be agenda'd by the prior Thursday).

- General Contractor(s). Contractors must include any subcontractor(s) as insured under their policy OR provide the subcontractor's insurance certificate which is also subject to the City's insurance requirements.
- Trucking Companies. Per the Public Utilities Commission (PUC) regulations, you must provide proof of Workers' Compensation Insurance and General Liability Insurance. The General Liability Insurance requirements are \$600,000 combined single limit or \$250,000 bodily injuries or death of one person and \$500,000 protection against total liability for bodily injuries or death of more than one person from any one accident. This is subject to the same \$250,000 limitation for each person and \$100,000 protection for accidental damage or destruction of property other than property being transported. The City of Huntington Beach must be named as Certificate Holder but does not need to be named as additional insured.

Please forward this summary to your insurance agent. For assistance, call Risk Management at (714) 536-5252, fax (714) 536-5212.

**ATTACHMENT 4
EMERGENCY SHELTER SERVICES FOR HOMELESS,
RUNAWAY, AND YOUTH-IN-CRISIS
RFP SUBMISSION CHECKLIST**

Provider Agency _____

- Vendor Application
- RFP Checklist
- Executive Summary & Statement of Offer
- Organizational Background, Experience, and Structure
- Client List
- Scope of Services
- Fees
- Additional Information
- Sample Agreement
- Proposed Project Schedule