REQUEST FOR PROPOSALS

FOR PROFESSIONAL CONSULTING SERVICES
UPDATE OF PURCHASING AND CONTRACTING POLICIES AND PROCEDURES

CITY OF WATSONVILLE
FINANCE DEPARTMENT

August 20, 2018

Proposal Due Date:

September 10, 2018
No later than 5:00 pm

Mail to Address:
250 MAIN STREET
WATSONVILLE, CA 95076
ATTN: FINANCE DEPARTMENT

Email to:
cindy.czerwin@cityofwatsonville.org
CITY OF WATSONVILLE
REQUEST FOR PROPOSALS

With this Request for Proposals ("RFP"), the City of Watsonville ("City") is requesting proposals ("Proposal") from qualified consultants ("Respondents") for the following services:

Review and Update of Purchasing and Contracting Policies and Procedures

The purpose of the Proposal is to demonstrate the qualifications, competence and capacity of Respondent to perform the work or provide the services described in this RFP. The Proposal should demonstrate the qualifications of the Respondent and of the particular staff to be assigned to this project.

1. Introduction
The City of Watsonville seeks qualified individuals or firms for review the City's Purchasing and Contracting Policies and Procedures towards the creation of a manual and where applicable and to update forms, Municipal Code, and City Administrative Rules and Regulations.

The City of Watsonville does not currently have a comprehensive Purchasing Policies and Procedures Manual and the Finance Department has recently gone through some big changes with the implementation of a new financial ERP system and the hiring of a new Department Head. As such, we recognize that some of our policies are out of date and / or inconsistent with our current technologies.

It is expected that all recommendations from a Consultant will assure that we as a city remain in compliance with Generally Accepted Accounting Principles, Federal Standards, industry standards and best practices.

2. Background
  2.1. About the City of Watsonville
The City of Watsonville serves an area of 6.19 square miles with a population of 52,087. The City of Watsonville fiscal year begins on July 1 and ends on June 30.

The City of Watsonville is a charter city with Council-Manager form of government. The City of Watsonville is organized into ten (10) departments that provide a variety of services to its citizens: public safety, highways and streets, planning and zoning, airport, water, solid waste collection and disposal, wastewater treatment and collection and general administrative support. The City has a total budget of $142.3 million and 410 Full Time Equivalent positions. The accounting and financial reporting functions of the City are decentralized.

More detailed information on the government and its finances can be found in the City's Comprehensive Annual Financial Report and recently adopted budgets. Both reports are available for review at the City’s web site. https://www.cityofwatsonville.org/169/Finance
2.2. About the Finance Department
The Finance Department is led by Cindy Czerwin, Administrative Services Director and is responsible for budgeting, payroll, accounts payable, purchasing, accounts receivable, and debt administration. The Finance Department consists of 10 employees as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>7</td>
</tr>
<tr>
<td>Payroll</td>
<td>1</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

2.3. Financial Software

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Major Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tyler - Munis</td>
<td>Financial, General Ledger, Payroll, Accounts Payable, Accounts Receivable, Business License, Purchasing, and Fixed Assets</td>
</tr>
<tr>
<td>Inhance</td>
<td>Utilities</td>
</tr>
<tr>
<td>RAS</td>
<td>Receipt Printing</td>
</tr>
<tr>
<td>ICVerify</td>
<td>Credit Card Processing</td>
</tr>
</tbody>
</table>

3. Project Description
The City of Watsonville desires to update its Purchasing and Contracting Policies and Procedures. The Finance Department and the City have gone through many changes in recent years including the implementation of a new Financial ERP system and hiring of a new Administrative Services Director. The City does not currently have a comprehensive Purchasing Policies and Procedures Manual. We are finding that many of our policies are out of date and/or not in line with current technologies or practices. We have a very decentralized purchasing process and the polices and regulations are currently described in various documents including our Charter, Municipal Code, Administrative Policies and Procedures, and various adopted council resolutions throughout the years.

We are seeking a comprehensive review of our purchasing policies and procedures including but not limited to contracting, review limits, employee reimbursements, credit cards, controls, and purchasing under Federal grants and OMB guidelines.

Recommendations will be based on the Consultant’s review of current city policies, interviews with relevant staff both in Finance and other Departments, industry standards and best practices, and the City’s financial system capabilities. All recommendations should ensure that the City will continue to meet accounting standards for internal controls and fraud protection, should be in line with GFOA recommendations, and should recognized the lean size of the Finance department and the current preference for decentralized purchasing.

**Deliverables will include:**
- Purchasing and Contracting policies and procedures manual
- Updated forms to implement the policies and procedures
- Recommended revision to the City’s Municipal Code and Administrative Rules and Regulations
4. **Proposal Requirements**

4.1. **Proposal Format**

Respondent’s Proposal shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received. The Proposal shall be signed by an individual or individuals authorized to execute legal documents on behalf of the Respondent.

Proposals Shall Contain the following items:

a) Table of Contents

b) Transmittal Cover Letter

c) Executive Summary: Summarize the content of your firm’s Proposal in a clear and concise manner

d) Personnel: Names and specific qualifications, experience, skill set, fit, and appropriate licenses held, if applicable, of the primary staff to be assigned to the project

e) Understanding of the Project: A detailed description of the Respondent’s approach to the project and estimated timeline for completion of both tasks

f) References: Proved five references regarding the Respondent’s experience and performance performing similar services including the following information: Organization contact name, phone number, email, and address; and project size and description

g) List of Representative Projects: List of representative projects undertaken by the Respondent in the last 5 years demonstrating experience

h) Cost Proposal – include a detailed costs proposal for the required Scope of Services, include of any anticipated travel, per-diem, and other incidental costs and charges. It is anticipated that the not-to-exceed amount will be negotiated with the successful Respondent. Costs shall be broken down by task

4.2. **Subcontracting**

Should any firm submitting a proposal consider subcontracting portions of the engagement, that fact must be clearly identified in the proposal along with the name of the proposed subcontracting firms. Following the award of the contract, no additional subcontracting will be allowed without the express prior written consent by Finance Department staff.

4.3. **Acceptance of Terms**

By submitting a proposal the Respondent is agreeing that they take no exceptions to the RFP including but not limited to the “Professional Services Agreement” attached as Attachment 1. Respondent is directed to carefully review the Professional Services agreement and, in particular, the insurance and indemnification provisions therein. The successful Respondent shall submit all required proof of insurance forms prior to issuance of a Notice to Proceed.

4.4. **Submittal Instructions**

Proposals must be received no later than 5pm on September 10 to be considered. Late proposals will not be considered.

4.5. **Inquiries or Clarifications**

Inquiries or Clarifications regarding the request for proposal should be addressed to the following individuals:
5. **Evaluation Process**

5.1. **Evaluations Criteria**

Proposals that meet the submittal requirements will be evaluated by the City based on the following criteria (in no particular order):

- Specific qualifications, experience, skill set fit, and appropriate licenses, if applicable, of the primary staff required for the work. (20%)
- Project approach. (20%)
- Past performance on similar projects. (15%)
- Quality and comprehensiveness of the Proposal. (15%)
- Price. (30%)

At the conclusion of the Proposal solicitation period, the City will review each submission, and then rank the Proposals according to evaluation criteria. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

Upon determination of the highest ranked firm, the City will endeavor to negotiate a mutually agreeable scope of services and fee with the selected firm. In the event that the City is unable to reach agreement, the City will proceed, at its sole discretion, to negotiate with the next firm selected by the City.

Respondents should note that the lowest cost proposal is not the sole determining factor in the final selection.

5.2. **Interviews**

The City may, at its discretion, invite a shortlist of Respondents to participate in an oral presentation or a panel interview to be held at the City. No Respondent shall be entitled to or otherwise guaranteed an interview with the City.

5.3. **Award of Contract**

If awarded, the contract will be awarded to the firm selected on the basis of information provided in the Proposal, the results of the City’s research and investigation, and, if conducted, oral interviews. The City reserves the right to reject all proposals and to contract for services in the manner that most benefits the City, including awarding more than one contract if desired.
5.4. Final Selection
The City of Watsonville will select a firm based upon the recommendation of the Finance Department with
the City Manager final approval.

5.5. Expected Timeline*

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Proposal issued</td>
<td>Monday, August 20, 2018</td>
</tr>
<tr>
<td>Due date for Proposals</td>
<td>Monday, September 10, 2018</td>
</tr>
<tr>
<td>Selected firm notified*</td>
<td>Monday, September 24, 2018</td>
</tr>
</tbody>
</table>

* Projected dates subject to change.


Respondent is encouraged to review this RFP carefully in its entirety prior to preparation of its Proposal.
The City reserves the right to reject any or all Proposals or to select the Proposal most advantageous to the
City. The City reserves the right to verify all information submitted in the Proposal.

6.1. Amendments to RFP. The City reserves the right to amend the RFP or issue to all Respondents a
Notice of Amendment to answer questions for clarification.

6.2. No Commitment to Award. Issuance of this RFP and receipt of proposals does not commit the City to
award a contract. The City expressly reserves the right to postpone the proposal for its own
convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate
with more than one Respondent concurrently, or to cancel all or part of this RFP.

6.3. Amendments to Proposals. No amendment, addendum or modification will be accepted after the
deadline stated herein for receiving Proposals. Respondent may modify or amend its Proposal only if
the City receives the amendment prior to the deadline stated herein for receiving Proposals.

6.4. Non-Responsive Proposals. A Proposal may be considered non-responsive if conditional, incomplete,
or if it contains alterations of form, additions not called for, or other irregularities that may constitute
a material change to the Proposal.

6.5. Late Proposals. The City will not be responsible for delinquent Proposals, and/or Respondent’s
inability to submit the Proposal before the closing date and time.

6.6. Costs for Preparing. The City will not compensate any Respondent for the cost of preparing any
Proposal, and all materials submitted with a Proposal shall become the property of the City. The City
will retain all Proposals submitted and may use any idea in a Proposal regardless of whether that
Proposal is selected.

6.7. Alternative Proposals. Only one final Proposal is to be submitted by each Proposer. Multiple proposals
will result in rejection of all proposals submitted by the Respondent.

6.8. Public Documents. All Proposals and all evaluation and/or scoring sheets shall be available for public
inspection at the conclusion of the selection process.
6.9. **No Exceptions.** Submission of a Proposal constitutes acceptance by Respondent of the conditions contained in this RFP unless clearly and specifically noted in the Proposal submitted and confirmed in the Professional Services Agreement between the City and the Respondent selected.

6.10. **Withdrawal.** Respondent’s authorized representative may withdraw its Proposal only by written request received by the City before the Submittal Deadline.
CONTRACT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF WATSONVILLE AND [ADD NAME]

THIS CONTRACT, is made and entered into this ____________, by and between
the City of Watsonville, a municipal corporation, hereinafter called “City,” and
______________________________, hereinafter called “Consultant.”

WITNESSETH

WHEREAS, the City needs to obtain certain professional, technical and/or specialized
services of an independent contractor to assist the City in the most economical manner; and

WHEREAS, Consultant has the requisite skill, training, qualifications, and experience
to render such services called for under this Contract to City.

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THE PARTIES HEREBY AGREE AS FOLLOWS:
SECTION 1. SCOPE OF SERVICES.
Consultant shall perform those services as specified in detail in Exhibit “A,” entitled “SCOPE OF SERVICES” which is attached hereto and incorporated herein.

SECTION 2. TERM OF CONTRACT.
The term of this Contract shall be from ______________, 20___ to______________, 20___, inclusive.

SECTION 3. SCHEDULE OF PERFORMANCE.
The services of Consultant are to be completed according to the schedule set out in Exhibit “B,” entitled “SCHEDULE OF PERFORMANCE,” which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the “SCHEDULE OF PERFORMANCE.”

SECTION 4. COMPENSATION.
The compensation to be paid to Consultant including both payment for professional services and reimbursable expenses as well as the rate and schedule of payment are set out in Exhibit “C” entitled “COMPENSATION,” which is attached hereto and incorporated herein.

SECTION 5. METHOD OF PAYMENT.
Except as otherwise provided in Exhibit “C,” each month, Consultant shall furnish to the City a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month’s actual reimbursable expenditures.

SECTION 6. INDEPENDENT CONSULTANT.
It is understood and agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent Consultant and not an agent or employee of City, and as an independent Consultant, shall obtain no rights to retirement benefits or other benefits which accrue to City’s employees, and Consultant hereby expressly waives any claim it may have to any such rights.

SECTION 7. ASSIGNABILITY.
Consultant shall not assign or transfer any interest in this Contract nor the performance of any of Consultant's obligations hereunder, without the prior written consent of City, and any attempt by Consultant to so assign this Contract or any rights, duties or obligations arising hereunder shall be void and of no effect.

SECTION 8. INDEMNIFICATION.
Consultant has the expertise and experience necessary to perform the services and duties agreed to be performed by Consultant under this Contract, and City is relying upon the skill and knowledge of Consultant to perform said services and duties. Consultant shall defend, indemnify and hold harmless City, its officers and employees, against any loss or liability arising out of or resulting in any way from work performed under this Contract due to the willful or negligent acts (active or passive) or errors or omissions by Consultant or Consultant’s officers, employees or agents.
SECTION 9. INSURANCE.

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force throughout the term of this Contract a professional liability insurance policy (Errors and Omissions), in a company authorized to issue such insurance in the State of California, with limits of liability of not less than One Million Dollars ($1,000,000.00) to cover all professional services rendered pursuant to this Contract.

B. Auto and Commercial General Liability Insurance. Consultant shall also maintain in full force and effect for the term of this Contract, automobile insurance and commercial general liability insurance with an insurance carrier satisfactory to City, which insurance shall include protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any actual occurrence arising out of the performance of this Contract. The amounts of insurance shall not be less than the following:

(1) Commercial general liability insurance, or equivalent form, with a combined single limit of not less than $1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, such limit shall apply separately to each project Consultant performs for City. Such insurance shall (a) name City, its appointed and elected officials, and its employees as insureds; and (b) be primary with respect to insurance or self-insurance programs maintained by City and (c) contain standard separation of insured’s provisions.

(2) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than $1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

C. Workers’ Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Consultant shall be insured against liability for Workers’ Compensation or undertake self-insurance. Consultant agrees to comply with such provisions before commencing performance of any work under this Contract.

D. Proof of Insurance to City before Notice to Proceed to Work. Consultant shall satisfactorily provide certificates and endorsements of insurance to the City Clerk before Notice to Proceed to Work of this Contract will be issued. Certificates and policies shall state that the policy shall not be canceled or reduced in coverage without thirty (30) days written notice to City. Approval of insurance by City shall not relieve or decrease the extent to which Consultant may be held responsible for payment of damages resulting from services or operations performed pursuant to this Contract. Consultant shall not perform any work under this Contract until Consultant has obtained the required insurance and until the required certificates have been submitted to the City and approved by the City Attorney. If Consultant fails or refuses to produce or maintain the insurance required by these provisions, or fails or refuses to furnish City required proof that insurance has been procured and is in force and paid for, City shall have the right at City's election to forthwith terminate this Contract immediately without any financial or contractual obligation to the City. As a result of such termination, the City reserves the right to employ another consultant to complete the project.

E. Written notice. Contractor shall provide immediate written notice if (1) any insurance policy required by this Contract is terminated; (2) any policy limit is reduced; (3) or any deductible or self insured retention is increased.
SECTION 10. NON-DISCRIMINATION.
Consultant shall not discriminate, in any way, against any person on the basis of age, sex, race, color, creed, national origin, or disability in connection with or related to the performance of this Contract.

SECTION 11. TERMINATION.
A. City and Consultant shall have the right to terminate this Contract, without cause, by giving not less than ten (10) days written notice of termination.

B. If Consultant fails to perform any of its material obligations under this Contract, in addition to all other remedies provided by law, City may terminate this Contract immediately upon written notice.

C. The City Manager is empowered to terminate this Contract on behalf of City.

D. In the event of termination, Consultant shall deliver to City copies of all work papers, schedules, reports and other work performed by Consultant and upon receipt thereof, Consultant shall be paid in full for services performed and reimbursable expenses incurred to the date of termination.

SECTION 12. COMPLIANCE WITH LAWS.
Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

SECTION 13. GOVERNING LAW.
City and Consultant agree that the law governing this Contract shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Contract shall be filed and maintained in the Municipal or Superior Court of the County of Santa Cruz.

SECTION 14. PRIOR CONTRACTS AND AMENDMENTS.
This Contract represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment.

SECTION 15. CONFIDENTIAL INFORMATION.
All data, documents, discussions, or other information developed or received by or for Consultant in performance of this Contract are confidential and not to be disclosed to any person except as authorized by the City Manager or his designee, or as required by law.

SECTION 16. OWNERSHIP OF MATERIALS.
All reports, documents or other materials developed or received by Consultant or any other person engaged directly by Consultant to perform the services required hereunder shall be and remain the property of City without restriction or limitation upon their use.

SECTION 17. COVENANT AGAINST CONTINGENT FEES.
The Consultant covenants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure
the Contract, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fees, commissions, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Contract, for breach or violation of this covenant, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

SECTION 18. WAIVER.
Consultant agrees that waiver by City or any one or more of the conditions of performance under this Contract shall not be construed as waiver of any other condition of performance under this Contract.

SECTION 19. CONFLICT OF INTEREST.
A. A Consultant shall avoid all conflict of interest or appearance of conflict of interest in performance of this Contract. Consultant shall file a disclosure statement, if required by City Council Resolution, which shall be filed within thirty (30) days from the effective date of this Contract or such Resolution, as applicable.

B. No member, officer, or employee of the City, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Contract or the proceeds thereof and Consultant agrees not to allow, permit, grant, transfer, or otherwise do anything which will result in such member, officer, or employee of the City from having such interest.

SECTION 20. AUDIT BOOKS AND RECORDS.
Consultant shall make available to City, its authorized agents, officers and employees, for examination any and all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the expenditures and disbursements charged to the City, and shall furnish to City, its authorized agents and employees, such other evidence or information as City may require with respect to any such expense or disbursement charged by Consultant.

SECTION 21. NOTICES.
All notices shall be personally served or mailed, postage prepaid, to the following addresses, or to such other address as may be designated by written notice by the parties:

CITY
City Clerk
275 Main Street, Suite 400
Watsonville, CA 95076
(831) 768-3040

CONSULTANT
[add information]

SECTION 22. EXHIBITS:
Exhibit A: Scope of Services
Exhibit B: Schedule of Performance
Exhibit C: Compensation
WITNESS THE EXECUTION HEREOF, on the day and year first hereinabove written.

CITY

CITY OF WATSONVILLE

BY ______________________________
Matt Huffaker, City Manager

BY ______________________________
Beatriz Vázquez Flores, City Clerk

ATTEST:

BY ______________________________

APPROVED AS TO FORM:

BY ______________________________
Alan J. Smith, City Attorney
EXHIBIT “A”

SCOPE OF SERVICES
EXHIBIT “B”

SCHEDULE OF PERFORMANCE

Services shall commence immediately upon execution of this Contract. All services performed under the provisions of this Contract shall be completed in accordance with the following schedule:
EXHIBIT “C”

COMPENSATION

a. Total Compensation. The total obligation of City under this Contract shall not exceed ____________________________.

b. Basis for Payment. Payment(s) to Consultant for services performed under this contract shall be made as follows and shall [not] include payment for reimbursable expenses:

c. Payment Request. Consultant shall submit a request for payment for services on a monthly basis by letter to Director, or said Director's designated representative. Such request for payment shall cover the preceding monthly period during the term hereof, shall note the City's purchase order number for this contract, shall contain a detailed listing of the total number of items or tasks or hours for which payment is requested, the individual dates on which such services were rendered, and invoices for reimbursable expenses, if any. Upon receipt in the Office of Director of said payment request, Director shall cause payment to be initiated to Consultant for appropriate comp