

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated March 20, 2019, (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and Lance, Soll & Lunghard, LLP, a California limited partnership (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

RECITALS

A. City issued Request for Proposals No.1195-19 on November 8, 2018, titled “Professional Audit Services”. Consultant submitted a proposal dated December 10, 2018 in response to the RFP.

A. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

B. City desires to retain Consultant as an independent contractor and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for financial auditing services for fiscal years ending June 30, 2019, 2020, and 2021, with a two year renewal option for fiscal years ending June 30, 2022 and 2023 attached as **Exhibit A**. Attached as Exhibit C is the scope of service in RFP No. 1195-19. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Richard Kikuchi, Partner (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

Approved for Use 11/30/18

professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

2. Term of Agreement. The term of this Agreement shall be from the Effective Date through March 20, 2022 unless sooner terminated as provided in Section 12 of this Agreement or extended. At City's sole discretion, the term of this Agreement may be extended for up to two additional years.

3. Compensation.

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$170,070.00 (the "Maximum Compensation") for such Services.

B. Expenses. City shall only reimburse Consultant for those actual and necessary expenses expressly set forth in **Exhibit B**.

C. Unauthorized Services and Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

5. Independent contractor. Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

6. Information and Documents.

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with

City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

7. Conflicts of Interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

8. Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate

to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City.

Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

10. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

11. Records and Inspections. Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

12. Termination of Agreement.

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure

of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

13. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

14. Default.

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

15. Notices. Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to City:

Attn: Bruce Moe
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: 310-802-5053
Email: bmoe@citymb.info

If to Consultant:

Richard K. Kikuchi
Lance, Soll & Lunghard, LLP
203 N. Brea Blvd., Suite 203
Brea, California 92821
Telephone: 714-672-0022
Email: Richard.kikuchi@lslcpas.com

With a courtesy copy to:

Quinn M. Barrow, City Attorney
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: (310) 802-5061
Email: qbarrow@rwqlaw.com

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be

construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Final Payment Acceptance Constitutes Release. The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

21. Corrections. In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

22. Non-Appropriation of Funds. Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

23. Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

24. Entire Agreement and Modification of Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written

understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

25. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

26. Word Usage. Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

27. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

28. Business Days. “Business days” means days Manhattan Beach City Hall is open for business.

29. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

30. Attorneys’ Fees. In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

31. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

32. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

33. Corporate Authority. Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

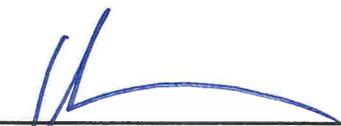
The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,
a California municipal corporation

Consultant:

Lance, Soll & Lunghard, LLP,
a California Limited Liability Partnership

By: 

Name: Bruce Moe
Title: City Manager

By: 

Name: Richard K. Kikuchi
Title: Partner

ATTEST:

By:  4-2-19

Name: Liza Tamura
Title: City Clerk

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: 

Name: Quinn M. Barrow
Title: City Attorney

APPROVED AS TO CONTENT:

By: 

Name: Steve S. Charelian
Title: Finance Director



PREPARED BY:

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 N. Brea Blvd., Suite 203
Brea, CA 92821
(714) 672-0022

Proposal Presented to

CITY OF MANHATTAN BEACH

PROPOSAL FOR PROFESSIONAL AUDIT SERVICES

RFP #1195-19 Auditing Services

CONTACT PERSON:

Richard K. Kikuchi, CPA, Partner
Richard.Kikuchi@lslcpas.com
(714) 672-0022

December 10, 2018

Focused
on YOU





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TRANSMITTAL LETTER

December 10, 2018

City of Manhattan Beach
City Clerk's Office
1400 Highland Avenue
Manhattan Beach, California 90266

LANCE, SOLL & LUNGHARD, LLP (LSL) is pleased to respond to your request for proposal for audit services. As a leader in the field of governmental accounting and auditing, we appreciate this opportunity to present our professional qualifications. Because of our extensive city government experience, dedication to excellence, and determination to retain the brightest talent, we hope you find that LSL is the most qualified accounting firm to provide professional audit services to the City of Manhattan Beach.

ANNUAL SERVICES

The City of Manhattan Beach (City) will receive the following services for three (3) fiscal years beginning with fiscal year ending June 30, 2019, with the option to extend two (2) additional years:

- Perform an audit of all funds of the City and its component unit, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States, and express an opinion on the fair presentation of the basic financial statements. We will prepare the Comprehensive Annual Financial Report (CAFR) in full compliance with all current GASB pronouncements and in accordance with the guideline from the Government Finance Officers Association (GFOA) in order to obtain the Certificate of Achievement for Excellence in Financial Reporting. Preparation of the CAFR will include all schedules, footnotes and required supplementary information, and will respond to all GFOA comments. We will also apply limited audit procedures to the Management's Discussion and Analysis and required supplementary information.
- Perform a Single Audit on the expenditures of federal grants when required in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards.
- Prepare a management letter, including appropriate recommendations regarding the City's systems of internal control, accounting procedures, and other significant observations.
- Attend three (3) public meetings to present and discuss findings and recommendations.



All working papers and reports will be retained (at our expense) for a minimum of seven (7) years, unless we are notified in writing by the City of the need to extend that retention period. Upon written request, we will make working papers available to parties designated by the City. In addition, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance

Upon identification or indication of irregularities or illegal acts, we will make an immediate written report to the City Manager, City Attorney and the Finance Director.

We are committed to provide the services discussed above in accordance with your timetable. This proposal is a firm and irrevocable offer valid for 120 days for the fiscal years ending June 30, 2019 through June 30, 2021, with the option to renew the contract for two additional fiscal years. For purposes of this proposal, Richard K. Kikuchi, Partner is authorized to make representations for our firm. I can be reached at the address below or by phone at (714) 672-0022 or through email at richard.kikuchi@lsicpas.com.

A handwritten signature in black ink, appearing to read 'Richard K. Kikuchi', is written in a cursive style.

Richard K. Kikuchi, CPA
Engagement Partner
203 N. Brea Blvd., Suite 203
Brea, California 92821



ADDITIONAL BENEFITS TO WORKING WITH LSL

In today's environment, keeping up with the numerous accounting and regulatory changes can seem unmanageable. Finance departments are facing more complexity, risk, and change than ever before, and with less resources. As the industry continues to evolve, a strategic relationship with LSL can help you better manage these changes and be more equipped for the future. Training and communication is the bridge that connects us. We offer to our clients:

1) Annual Governmental Accounting Update

Annually, we hold a half-day seminar providing an update to new accounting and regulatory standards impacting local governments. The goal is to provide useful relevant information that impacts your organization.

2) Annual Onsite Client Specific Training

This is tailored training for your organization on topics that are most relevant and needed for you and your team. Topics may include fraud risk management, internal controls, accounting pronouncements, governmental accounting, and CAFR preparation.

3) Focused Topic Specific Webinars and Ongoing News & Alerts

These discuss important topics effecting local governments sometimes need more attention and explanation. In addition to our annual update, our webinars and news offer a short-focused approach to these critical areas.

4) Meetings with Council & Committees

We believe communication is the key to a successful relationship and offer two annual meetings with your City Council or Committees. Both meetings encourage dialogue between LSL and City Council during the preliminary and concluding segments of the audit.



TECHNICAL PROPOSAL

1. LICENSE TO PRACTICE IN CALIFORNIA

LSL is a limited liability partnership and is not a wholly owned subsidiary of a parent company. LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. As a firm, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key staff to be assigned to this engagement are or will be licensed by the State of California to practice as Certified Public Accountants.

2. INDEPENDENCE

We meet the independence requirements as defined by *Government Auditing Standards* for the City of Manhattan Beach and its component unit. Our partners do not own any other business organization that has in the past, or will in the future, be providing services, supplies, materials or equipment to the City of Manhattan Beach. **LSL is the current independent auditor for the City of Manhattan Beach and is assisting the City with the preparation of its Comprehensive Annual Financial Report for fiscal year 2017-18.** We have no conflicts of interest relative to performing the audit. LSL will provide written notice of any reportable professional relationship entered into during the period of the proposed agreement.

3. FIRM QUALIFICATIONS AND EXPERIENCE

LSL is a regional public accounting firm that currently meets the auditing needs of governmental entities throughout California. Services to local governmental entities have been provided since 1929. This experience has led to the development of efficient procedures that provide numerous client benefits.

Our clients have grown to understand that an audit from LSL provides them with a wealth of knowledge, confidence and value-added services. For this and many other reasons, our firm has consistently been named one of the “Top Accounting Firms” in Orange County by the Orange County Business Journal, “Top Workplaces- 2016 and 2017” in Orange County by the Orange County Register. We were also on the list of CalCPA Top 150 firms in 2016

SIZE OF THE FIRM AND SIZE OF THE FIRM'S GOVERNMENT AUDIT STAFF

Our firm has approximately 115 employees including 17 partners and professional staff of approximately 70. Governmental staff consists of four partners, one senior manager, four managers, five supervisors and ten seniors. All professional staff assigned to the proposed engagement work on a full-time basis.

LOCATION OF OFFICES

LSL is a regional firm with offices in Brea, Santa Ana and Sacramento, California. The audit for the City of Manhattan Beach will be staffed from our Brea location.

RANGE OF ACTIVITIES

Our Brea office's activities overall cover auditing and attestation, business advisory, taxes and planning, and accounting and financial services. Our government attestation activities represent approximately 30% of the overall firm activities.

GFOA AWARD PROGRAM

We prepare the financial statements and footnote disclosures for most of our clients that have received the GFOA award. All of our governmental partners, managers, and seniors have been closely involved in the preparation of these reports.



NUMBER AND NATURE OF PROFESSIONAL STAFF TO BE EMPLOYED ON THE ENGAGEMENT

The most critical component in the successful completion of an audit is the personnel assigned to carry out the responsibilities. We have assembled a team composed of individuals with the optimum mix of talents. The individuals assigned have experience in performing the tasks for which they are responsible, as well as familiarity with all municipal accounting operations. In addition, each has developed extensive skills in a variety of other complementary subjects through their work with clients in other industries. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. For the audit of the City of Manhattan Beach, the personnel assigned and their number of years of experience auditing governmental entities in California is as follow:

- Richard K Kikuchi, CPA – Engagement Partner
29 years
- Bryan S. Gruber, CPA – Concurring Partner
15 years
- Frank C. North, CPA – Senior Manager
21 years
- Amira Khodari – Senior In-Charge
4 years

The audit team will also include an additional two to three staff for audit fieldwork. All staff assigned to the City of Manhattan Beach will work on a full-time basis.

LOCAL EXPERIENCE

We currently provide professional auditing services to nearly **60 governmental entities throughout California**. A complete listing of our current government audit clients, along with phone numbers of contact personnel and reference as to services provided, is listed on the next page. You are welcomed to contact any or all of them to get their opinion on the services we provide.

EXTERNAL QUALITY CONTROL REVIEWS

We have participated in the peer review program since its inception. The most recent peer reviews was conducted by Sikich. All peer reviews covered governmental engagements. Our most recent peer review is included on page 8.

DESK REVIEWS/DISCIPLINARY ACTION

There have been no disciplinary actions against our organization since its inception. All our Single Audit reports are desk reviewed either by the Federal cognizant agency or the State Controller's Office acting as the Oversight Agency. We have never had a report rejected by any of these agencies. In fact, we are highly regarded and recognized by the staff of the State Controller's Office for top quality reports.

COMPUTER CAPABILITIES

One of our firm's core values is innovation, including technological innovation. We utilize some of the most current technological solutions including cloud-based audit software, advanced data analysis software, and secure file sharing. This enables the City's data to be provided to us securely and analyzed efficiently and effectively.



CPAs AND ADVISORS

LSL LISTING OF CURRENT GOVERNMENT AUDIT CLIENTS

Client	Contact Person	Service Code	Year	Telephone
Agoura Hills	Ms. C. Pinuelas, Finance Director	F	4	818-597-7319
American Water Works Association	Ms. S. Ramakrishnan, Asst. Exec. Director	F	4	909-291-2114
Banning	Ms. M. Green, Accounting Manager	F, S	17	951-922-3118
* Bell	Ms. Shally Lin, Interim Finance Director	F	4	323-588-6211
Big Bear Lake	Ms. K. Ent, Director of Admin. Services	F, S	18	909-866-5831
Burbank	Ms. C. L. Giraldo, Financial Services Dir	I	5	818-238-5487
* Camarillo	Ms. G. Wilson, Finance Director	F, S	1	805-388-5320
Canyon Lake	Mr. T. Shea, Finance Director	F	20	909-244-2955
* Cathedral City	Mr. K. Biersack, Fiscal Officer	F, S	6	760-770-0378
* Chino Hills	Ms. C. Buhagiar, Finance Director	F, S	18	909-364-2600
* Chula Vista	Mr. D. Bilby, Director of Finance	F, S	3	619-691-5250
Coachella Valley Association of Governments	Mr. G. Leong, Director of Administrative Services	F	2	760-346-1127
* Coachella Valley Water District	Ms. K. Godbey, Finance Director	F, S, U	3	760-398-2661
Community Development Commission of the County of Los Angeles	Mr. M. Fortini, Acting Director, Finance and Budget Division	F, S	1	626-586-1890
* Corona	Ms. K. Eden, Finance Director	F, S, U	5	951-736-2315
Covered California	Ms. D. Mejia, CFO	F, S	1	916-228-8223
* Cypress	Ms. D. Mullally, Asst. Finance Director	F, S	1	714-229-6700
* Diamond Bar	Ms. D. Honeywell, Finance Director	F, S	5	909-839-7051
Dixon	Ms. J. Michaels-Aguilar, Finance Director	F, S	2	707-678-7000 x108
* Downey	Mr. A. Gandhi, Finance Director	F, S	3	562-904-7265
* Emeryville	Ms. S. Hsieh, Finance Director	F, S	12	510-596-4352
* Fullerton	Ms. K. Saldana, Fiscal Services Manager	F, S	5	714-738-3133
Grand Terrace	Ms. C. Fortune, Finance Director	F	3	909-824-6621
Greater Los Angeles Vector Control	Mr. T. Dever, District Manager	F	6	562-758-6501
* Indio	Mr. Rob Rockwell, Assistant City Manager/Director of Finance	F, S	1	760-391-4029
* Inland Empire Utilities Agency	Ms. Christina Valencia, Chief Financial Officer	F, S, U	1	909-993-1600
Imperial Beach	Mr. D. Bradley, Finance Director	F	12	619-628-1361
Inglewood	Ms. S. Koike, Assistant Finance Director	F, S	1	310-412-8724
* Irwindale	Ms. E. Carreon, Finance Director	F	20	626-430-2221
* Lake Elsinore	Ms. Shannon Buckley, Finance Manager	F, S	1	951-674-3124
Lawndale	Mr. W. Schaller, Accounting Manager	F	2	310-973-3245
* Live Oak	Mr. J. Aguilar, Finance Director	F, S	1	530-695-2112
* Los Alamitos	Ms. ML Valdez, Administrative Director/Treasurer	F	2	562-431-3538 x222
* Malibu	Ms. R. Feldman, Finance Director	F	12	310-456-2489
* Manhattan Beach	Mr. S. Charelian, Finance Director	F	14	310-802-5553
* Monrovia	Mr. B. Bullis, Director of Admin. Services	F, S	15	626-932-5510
Monterey One Water	Ms. T. Hannah, Chief Financial Officer	F, U	2	831-645-4623
* Oceanside	Ms. J. McPherson, Finance Director	F, S	8	760-435-3839
* Ontario	Ms. D. Nunes, Director of Fiscal Services	F, S	21	909-395-2352
* Palm Desert	Mr. J. Espinoza, Asst. Finance Director	F	1	760-346-0611
* Palm Springs	Ms. M. Pendleton, Acting Finance Director	F, S	6	760-323-8229
* Pasadena	Mr. R. Ridley, Controller	F, S, U	3	626-744-7497
* Rancho Cucamonga	Ms. T. Layne, Finance Officer	F, S, U	38	909-989-1851
* Redondo Beach	Ms. M. Ruhland, Assistant Finance Director	F, S	1	310-318-0683
Rolling Hills	Mr. T. Shea, Finance Director	F	10	310-377-1521
San Diego County Water Authority	Ms. G. Herbon, Water Manager	I, U	1	858-522-6679
San Dimas	Mr. M. O'Brien, Finance Director	F, S	55	909-394-6200
San Marino	Mr. Josh Betta, Finance Director	F	23	626-300-0700
* Santa Barbara	Mr. B. Samario, Finance Director	F, S	5	805-897-1978
* Santa Fe Springs	Mr. J. Gomez, Director of Finance and Administrative Services	F, S	2	562-868-0511
* Santa Monica	Ms. G. Decavalles-Hughes, Finance Director	F, S	1	310-458-8281
* Seal Beach	Ms. V. Beatley, Finance Director	F, S	5	562-431-2527
Six Basins Watermaster	Mr. L. Stahlhoefer, Controller	F	4	949-420-3030
* Three Valleys Water District	Mr. R. Hansen, General Manager	F, U	8	909-626-4631
* Union Sanitary District	Ms. L. Brenner, FS Coach	F, U	1	510-477-7647

Service Codes:

- F - Financial Audit
- S - Single Audit
- I - Internal Audit
- U - Utility Agency

* - Participated in the GFOA Award Programs and has received or anticipates receiving outstanding awards



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Akron, OH 44313

330.864-6661 // www.sikich.com
Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

SYSTEM REVIEW REPORT

October 26, 2016

To the Partners of Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the Firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Sikich LLP



Richard K. Kikuchi, CPA
Engagement Partner



Bryan S. Gruber, CPA
Quality Assurance Partner



Frank C. North, CPA
Senior Assurance Manager



Amira Khodari
Assurance Senior

4. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

KEY PERSONNEL AND RESPECTIVE RESPONSIBILITIES

The individuals assigned have experience in performing the tasks for which they are responsible, as well as familiarity with all municipal accounting operations. In addition, each has developed extensive skills in a variety of other complementary subjects through their work with clients in other industries. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. **LSL will not be subcontracting any portion of the audits of the City of Manhattan Beach.**

The partners at LSL are routinely an integral part of the audit process and will be overseeing and supervising staff personnel in the field.

Resumes of the key personnel assigned are included in following pages and list their governmental auditing experience, applicable continuing professional education for the past three years, and memberships in professional organizations relevant to the performance of the audit of the City of Manhattan Beach.

Any changes in personnel at the in-charge level or above will be approved by the City of Manhattan Beach. LSL's philosophy is to provide **quality audit services with minimal disruption to City staff.** Our focused efforts to obtain and retain quality staff have further enabled us to provide high level of services to our clients.

CONTINUING EDUCATION

As a firm policy, all professional government staff meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Our educational programs include training from CalCPA, AICPA, Government Audit Quality Center, and GFOA.



RICHARD K. KIKUCHI, CPA
ENGAGEMENT PARTNER

ACHIEVEMENTS

Richard currently serves as a technical reviewer for the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO). He sat on the CSMFO Special Districts Technical Committee and has taught an Introductory Governmental Accounting course through the CSMFO Career Development Committee. Richard recently sat on the California State Board of Accountancy's Qualifications Committee, which is an advisory committee established to examine and to make recommendations for all applicants for the license of Certified Public Accountant.

LICENSE

Certified Public Accountant - California 1991

CONTINUING EDUCATION

Total hours were 142 in last three years of which 64 were in governmental accounting and auditing subjects. Richard has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)

EXPERIENCE

Richard has over 29 years' experience in governmental audits. He is currently involved on the following major municipal engagements:

- | | |
|--------------------------|--|
| City of Pasadena | City of Coronado |
| City of Santa Monica | City of Santa Barbara |
| City of Big Bear Lake | City of Chula Vista |
| City of Irwindale | City of Monrovia |
| City of Santa Fe Springs | City of La Quinta |
| City of Indio | City of Malibu |
| City of Ontario | City of Manhattan Beach |
| City of Rancho Cucamonga | American Water Work Association |
| City of Imperial Beach | Community Development Commission
Of the County of Los Angeles |

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Richard K. Kikuchi, CPA, Partner (Continued)

This work entailed the preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada. Richard has the responsibility for overseeing federal single audits for these clients. These audits have met the requirements of the OMB and have been desk reviewed by the State Controller's Office.

EDUCATION

B.A in Business Administration with an emphasis in Accounting - California State University, Fullerton 1985



BRYAN S. GRUBER, CPA
ENGAGEMENT PARTNER

ACHIEVEMENTS

Bryan has made numerous presentations for CSMFO on current accounting and auditing material. He also currently serves as a technical reviewer for the Government Finance Officers Association (GFOA). Bryan has been involved with teaching current audit and accounting related material at Lance, Soll & Lunghard, LLP's in house training seminars. He serves as firm IT Specialist for his involvement in IT related controls, data mining and analysis, and auditing software.

LICENSE

Certified Public Accountant - California 2008

CONTINUING EDUCATION

Total hours were 132 in last three years of which **74 were in governmental accounting and auditing subjects**. Bryan has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Association of Local Government Auditors

EXPERIENCE

Over fourteen years of experience in governmental audits including CAFR audits, component-unit audits and Single Audits. Bryan has also made numerous presentations to City Councils, Boards of Directors and Audit Committees. He has been involved in the following municipal engagements:

Bryan has also been involved in the following engagements:

City of Agoura Hills
City of Cathedral City
City of Burbank
City of Duarte
City of Emeryville
City of Hidden Hills
City of La Quinta
Monterey One Water

Orange County Water District
Three Valleys Municipal Water District
City of Oceanside
City of Palm Springs
City of San Dimas
City of Solana Beach
City of Vista
City of Rolling Hills

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Bryan S. Gruber, CPA, Partner (Continued)

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities provide and technical assistance throughout the year to provide the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting –
California State University, Fullerton 2004



FRANK C. NORTH, CPA
SENIOR ASSURANCE MANAGER

ACHIEVEMENTS

Frank currently serves as a technical reviewer for the Government Finance Officers Association (GFOA).

LICENSE

Certified Public Accountant - California 1996

CONTINUING EDUCATION

Total hours were 142 in last three years of which 86 were in governmental accounting and auditing subjects. Frank has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)

EXPERIENCE

Over twenty-two years of experience in governmental audits. Frank has established himself as an outstanding asset and resource at LSL. He has demonstrated his talent in the area of municipal accounting and auditing. During his time with the firm, Frank has performed all phases of our municipal audits, including CAFR audits, redevelopment agency audits and Single Audits. He has been involved in the following municipal engagements:

City of Ontario

The City of Ontario is a large city consisting of a variety of governmental and business-type funds including internal service funds. As the Senior Audit Manager, it has been Frank's responsibility to oversee the fieldwork for all areas of the financial audit, including assisting the City with the preparation of the Comprehensive Annual Financial Report, and the Single Audit in accordance with the Uniform Guidance. The City of Ontario receives the GFOA Award for Excellence in Financial Reporting each year.

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Frank C. North, CPA, Senior Manager (Continued)

Community Development Commission of the County of Los Angeles

The Community Development Commission of the County of Los Angeles is a local government agency consisting of a variety of governmental and business-type funds including internal service funds. As the Senior Audit Manager, Frank's responsibility has been to oversee the fieldwork for all areas of the financial audit, including reviewing the draft of the Comprehensive Annual Financial Report for submission to the GFOA Award for Excellence in Financial Reporting program, and reviewing the Single Audit in accordance with the Uniform Guidance.

City of Manhattan Beach

As Senior Audit Manager, Frank's responsibility has been to oversee the fieldwork for all areas of the financial audit, including assisting the City of Manhattan Beach with the preparation of the Comprehensive Annual Financial Report, and the Single Audit in accordance with the Uniform Guidance. The City of Manhattan Beach receives the GFOA Award for Excellence in Financial Reporting each year.

Frank has also been involved in the following engagements:

City of Irwindale
City of Chino Hills
City of Malibu
City of Santa Barbara
City of Ontario
City of Palm Springs
City of Big Bear Lake
City of Rancho Cucamonga

Community Development Commission
of the County of Los Angeles
City of Manhattan Beach
City of Lawndale
City of Grand Terrace

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting –
California State University, Fullerton 1990



AMIRA KHODARI
ASSURANCE SENIOR

LICENSE

Certified Public Accountant – In Progress

CONTINUING EDUCATION

Total hours were 164 in last three years of which **112 were in governmental accounting and auditing subjects**. Amira has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE

Amira has progressed in an outstanding manner. During her time with the firm, Amira has performed all phases of our government audits, including water districts, other special districts, CAFR audits, successor agency audits and Single Audits. She has been involved in the following municipal engagements:

City of Agoura Hills
City of Corona
City of San Marino
City of Downey
City of Cathedral City

City of Big Bear Lake
City of La Quinta
City of Pasadena

EDUCATION

Bachelor of Science Degree in Accounting and Finance, (Magna Cum Laude) –
La Sierra University, Riverside 2014

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5. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Approximately 30% of our practice deals with the government sector and related services. Generally, our government sector services break down into the following major classifications: attestation, compliance, performance, strategic planning and tax services. As a firm, we have extensive experience with audits of municipalities' compliance with OMB Circular A-133 and the Uniform Guidance. We are familiar with nearly all federal and state grant programs typically participated in by municipalities. We have also performed engagements related to bond reporting, including issuing letters of comfort and other services. Following is five similar engagements that have been performed within the last three years:

City of Pasadena - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to various component unit financial statements, compliance and single audits. These services have been provided for over 3 years. Total hours for fiscal year 2016-17 were 1,946 hrs. Last audit performed was for June 30, 2018. Engagement partner is Mr. Richard Kikuchi

Contact person: Mr. Matthew Hawkesworth,
Director of Finance
Phone: (626) 396-7654
Email: mhawkesworth@cityofpasadena.net

City of Santa Barbara - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to a various compliance and single audits. These services have been provided for over 6 years. Total hours for fiscal year 2016-17 were 766 hrs. Last audit performed was for June 30, 2018. Engagement partner is Mr. Richard Kikuchi

Contact person: Mr. Robert Samario,
Finance Director
Phone: (805) 897-1978
Email: bsamario@ci.santa-barbara.ca.us

City of Ontario - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award. Audit and preparation of component unit financial statements, Air Quality Improvement Trust Fund and a Single Audit in accordance with OMB A-133 and the Uniform Guidance. Review and issue a report on the calculation of the City's Appropriations Limit (GANN). Preparation of the annual State Controller's Report. These services have been provided to the City for the last 20 years. Total hours for fiscal year 2016-17 were 663 hrs. Last audit performed was for June 30, 2018. The engagement partner is currently Mr. Richard Kikuchi.

Contact person: Ms. Doreen Nunes,
Director of Fiscal Services
Phone: (909) 395-2352
Email: dnunes@ci.ontario.ca.us



City of Rancho Cucamonga – Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award. Audit and preparation of financial statements for the Rancho Cucamonga Fire Protection District, the Air Quality Improvement Trust Fund and a Single Audit in accordance with OMB A-133 and the Uniform Guidance. Review and issue a report on the calculation of the City's Appropriations Limit (GANN). Preparation of the annual State Controller's Report. These services have been provided to the City for the last 38 years. Total hours for fiscal year 2016-17 were 681 hrs. Last audit performed was for June 30, 2018. The engagement partner is currently Mr. Richard Kikuchi.

Contact person: Ms. Tamara Layne,
Finance Director
Phone: (909) 477-2700
Email: Tamara.Layne@cityofrc.us

City of Oceanside - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to a single audit in accordance with OMB A-133 and the Uniform Guidance. These services have been provided for the last 8 years. Total hours for fiscal year 2016-17 were 582 hrs. Last audit performed was for June 30, 2018. Engagement partner is: Mr. Bryan Gruber

Contact person: Ms. Jane McPherson,
Finance Director
Phone: (760) 435-3855
Email: JMcPherson@ci.oceanside.ca.us

6. SPECIFIC AUDIT APPROACH

PROPOSED SEGMENTATION OF THE ENGAGEMENT

The services will be divided into three segments.

Segment 1 - Planning and Obtaining an Understanding:

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center information letter. The audit communication letter is to be provided to the Governing Board. In addition, this can be communicated orally to the Governing Board or sub-committee, if requested. This communication will discuss the planning stages, the responsibilities of the Governing Board, Auditors, and Management, and provide an opportunity for communication with us as the auditors.

LSL's audit team will meet prior to our initial on-site visit to brainstorm and discuss economic conditions, industry elements, and new standards that will affect the City of Manhattan Beach. A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge and preparing expectations for the audit year. We will compile a list of "Prepared by Client" ("PBC") items based on our review of prior year financial statements and information gathered. This will be provided to the City of Manhattan Beach one month prior to our visit or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The City of Manhattan Beach will have its own folder which can be customized to organize, and upload requested schedules, support documents, etc.

Segment 2 - Financial Audit Testing:

Based on the information gathered each year thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the City's internal controls and government auditing standards. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach will be the most effective and efficient by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements and critical to the compliance with other material laws and regulations. We will annually compile another customized "Prepared by Client" (PBC) list for the year-end on-site visit and provide it at least one month prior or earlier if requested.

We will request a trial balance for our analytical review to be provided one week prior to our arrival.

Year-end fieldwork will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls and preparation of reports and letters.

Segment 3 - Conclusion:

Based on our year-end exit meeting we will schedule a plan to finalize the CAFR in the timetable of the City. We will schedule dates for the initial and final drafts including time for the City review and approval of the financial statements. In addition, this will account for the review of the engagement partner and quality assurance partner. After the review and receipt of the signed representation letter from City, we will provide the final reports by November 30th each year.



LEVEL OF STAFF AND NUMBER OF HOURS TO BE ASSIGNED TO EACH SEGMENT

The level of staff and the number of hours to be assigned to each proposed segment will be as follows:

Segment/Task	Total Proposed Hours					Segment		
	Partners	Manager	In-Charge	Staff	Total	1	2	3
City								
Planning and Internal Control Evaluation	4.0	6.0	16.0	24.0	50.0	42.0	8.0	-
Cash and Investments	-	-	-	12.0	12.0	2.0	8.0	2.0
Receivables and Revenues	-	-	-	32.0	32.0	2.0	28.0	2.0
Inventory	-	-	-	4.0	4.0	-	4.0	-
Prepaid Items and Deposits	-	-	-	4.0	4.0	-	4.0	-
Capital Assets	-	-	-	16.0	16.0	-	14.0	2.0
Accounts Payable and Disbursement	-	-	-	32.0	32.0	2.0	28.0	2.0
Payroll and Other Liabilities	-	-	-	16.0	16.0	-	14.0	2.0
GASB 68 Testwork and Journal Entries	-	10.0	-	24.0	34.0	8.0	24.0	2.0
GASB 75 Testwork and Journal Entries	-	10.0	-	12.0	22.0	8.0	12.0	2.0
Long-Term Debt & Debt Compliance	-	-	12.0	-	12.0	-	10.0	2.0
Insurance & Claims Liability	-	-	-	3.0	3.0	-	3.0	-
Grants	-	-	16.0	-	16.0	-	14.0	2.0
Net Position and Fund Balance	-	-	6.0	-	6.0	1.0	4.0	1.0
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other Compliance requirements	-	2.0	4.0	8.0	14.0	8.0	6.0	-
Gann Limit	-	1.0	-	3.0	4.0	4.0	-	-
Audit letters	2.0	6.0	-	-	8.0	-	2.0	6.0
Supervision and Review	8.0	14.0	18.0	-	40.0	8.0	16.0	16.0
Subtotal	14.0	49.0	72.0	190.0	325.0	85.0	199.0	41.0
CAFR preparation	4.0	24.0	24.0	-	52.0	-	16.0	36.0
Single Audit (1 Major Programs)								
Planning	-	1.0	2.0	-	3.0	-	-	3.0
Compliance Testwork (Uniform Guidance)	-	-	8.0	8.0	16.0	-	4.0	12.0
Report Preparation and Supervision	2.0	8.0	6.0	-	16.0	-	-	16.0
Subtotal	2.0	9.0	16.0	8.0	35.0	-	4.0	31.0
Total Proposed Hours	20.0	82.0	112.0	198.0	412.0	85.0	219.0	108.0

SAMPLE SIZE

Our approach may be to utilize statistical sampling in the areas of receipts, disbursements, utility billing and payroll. Here we develop a statistical conclusion based upon an initial computer selected random sample which is based on the population and other risk factors identified. If errors are noted in the sample, the sample size will be expanded. We believe that a random selection can be efficient, while providing each item in the population an equal chance of being selected. Additionally, we may select a stratified sample of all transactions over a specified dollar limit for review. This allows us to cover all high dollar value transactions not otherwise selected in the random sample. Our samples are selected randomly utilizing IDEA data analysis software.

ANALYTICAL PROCEDURES

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached, and in the evaluation of the overall financial statement presentation. The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements. Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence gathered to resolve concerns and questions.

If the City of Manhattan Beach can provide a check register electronically for July 1st forward (period after the audit year), then we can pre-select our sample for accounts payable cut-off test work and provide that information ahead of time. Our PBC list will detail out

schedules we would like provided, which is directed straight from the audit report. Support requested and sampling for these schedules will be assessed each year based on the strengths and weaknesses of the internal control processes of the City, and the materiality level of the account. We will discuss our analytical variances with the City and obtain documentation that provides support for the accounts.

UNDERSTANDING OF THE CITY'S INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING

To gain an understanding of the internal control structure over the financial statements, we will perform procedures as required by SAS 122-125. This will include review of internal controls in the areas of financial reporting; cash; revenues and receivables; expenditures and accounts payable; payroll; capital assets; long-term debt; or grant reporting, as applicable.

Based on the result of our review, we will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted. This report is required by the *Government Auditing Standards* issued by the Comptroller General of the United States. Auditing Standards require auditors to obtain an understanding of the entity and its environment along with assessing the risks of material misstatements. LSL obtains an understanding through a variety of ways all throughout the year, but the most pertinent time each year is during our interim on-site visit. We will conduct interviews with management of finance along with each audit section responsible party (e.g. cashier, accounts payable clerk, payroll clerk, etc.) to review the processes and controls through observation and discussions. Based on our observations, we will sample as we observe a "walk-through" to verify the system of control is working in accordance with policies and procedures.

We will provide a list each year of randomly selected employees of the City of Manhattan Beach to perform fraud interviews (SAS 99), which will include all levels of the City across all departments.

After our interim on-site visit, we will have an exit meeting to discuss potential weaknesses, if any, and provide any feedback for improvements or valuable information we have gathered from our outside clientele that would benefit the City of Manhattan Beach.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

Laws and regulations subject to audit test work are determined from the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the City of Manhattan Beach and our extensive experience with governmental entities.

DRAWING AUDIT SAMPLES

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Normally, audit sampling is used for tests of controls and tests of compliance that involve inspection of documents and reports indicating performance of the applicable policy or procedures and compliance with the applicable laws and regulations. These sampling procedures test the operating effectiveness of an internal control structure policy or procedures by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied. To achieve this goal, we will draw samples for disbursements, receipts and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting

to the general ledger. Sample sizes vary based on the population and risk-based calculations.

USE OF COMPUTER SOFTWARE IN THE ENGAGEMENT

We use specialized auditing software to perform our audit in addition to Data Analysis Software to perform audit testing. We also use secure web portals to communicate information.

QUALITY ASSURANCE POLICY AND PROCEDURES

LSL has established strict review procedures to ensure quality reporting in accordance with the standards. These procedures are designed to maximize adherence to quality.

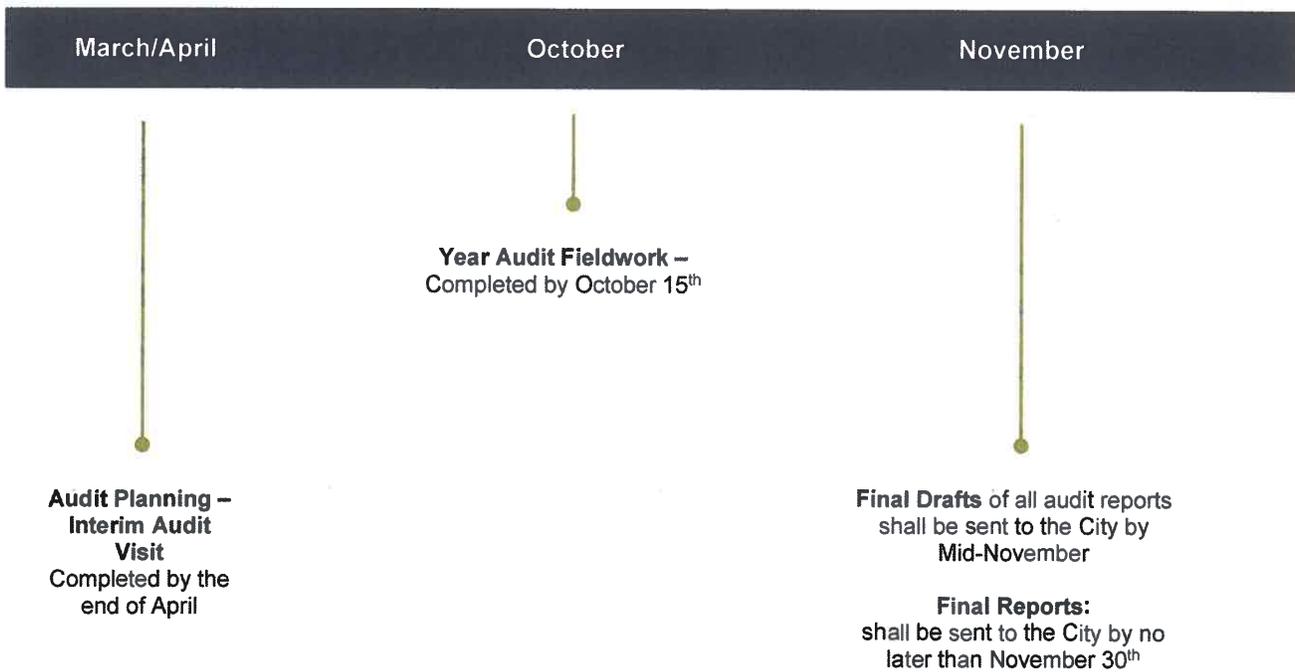
7. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

With our familiarity with similar local governments, we do not anticipate unusual audit problems. With changes in single audit and GASB pronouncements, we always anticipate a certain degree of problems. To address these, we offer different training opportunities, first-hand experience with similar local governments, and implementation experts on our in-house team.



8. PROPOSED AUDIT SCHEDULE

Our proposed schedule for the annual audit is as follows:





COST PROPOSAL

CITY OF MANHATTAN BEACH

AUDIT WORK COST PROPOSAL FORM AND ESTIMATE OF COST

SECTION A: AUDIT WORK COST

SERVICE	OPTION YEARS				
	FY 2019/2020	FY 2020-2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Audit and Related Reports	\$ 44,530	\$ 45,870	\$ 47,250	\$ 48,670	\$ 48,670
Preparation of Financial Statements	8,470	8,720	8,980	9,250	9,250
Single Audit and Related Reports *	5,190	5,350	5,510	5,680	5,680
Total for Fiscal Year (not to exceed)	\$ 58,190	\$ 59,940	\$ 61,740	\$ 63,600	\$ 63,600

* Quoted price includes the testing of one major program. Additional program will be \$1,950

SECTION B: HOURLY BILLING RATES FOR ENGAGEMENT

POSITION	OPTION YEARS				
	FY 2019/2020	FY 2020-2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Partner	\$ 266	\$ 274	\$ 282	\$ 291	\$ 291
Manager	176	181	187	193	193
Senior Accountant	133	137	141	144	144
Staff Accountant	119	123	126	130	130
Clerical	Included	Included	Included	Included	Included
Other	Included	Included	Included	Included	Included

If it should become necessary for the City to request additional services, such additional work will be performed in an addendum to the contract between the City and LSL using the schedule of hourly rates above.

Name of Firm: Lance, Soll & Lunghard LLP

Authorized Signature: 

Name of Authorized Person: Richard K. Kikuchi, CPA

Title: Managing Partner

Address: 203 N. Brea Blvd, Suite 203

City/State/Zip: Brea, CA 92870

Telephone: 714-672-0022

Email: Richard.Kikuchi@lslcpas.com



CPAs AND ADVISORS

February 11, 2019

Mr. Steve Charelian
Finance Director
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266

Re: Best and Final Offer for Professional Audit Services (RFP #1195-19)

Attached is LSL's Best and Final Offer for audit services for the fiscal year ending June 30, 2019, 2020, and 2021 with options to renew the fiscal years ending June 30, 2022 and 2023. We have reduced our original proposed pricing and are now maintaining our fee constant for the first three fiscal years and adding a 3% increase for year 4 (\$1,750) and year 5 (\$1,800).

For the purpose of this best and final offer, Richard K. Kikuchi, Partner is authorized to make representations for our firm, empowered to submit this best and final offer and authorized to sign a contract with the City of Manhattan Beach. I can be reached by phone at (714) 672-0022. or through email at Richard.kikuchi@lslcpas.com.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Richard K. Kikuchi', written over a light blue horizontal line.

Richard K. Kikuchi, Partner
LANCE, SOLL & LUNGHARD, LLP





BEST AND FINAL OFFER COST PROPOSAL

CITY OF MANHATTAN BEACH

AUDIT WORK COST PROPOSAL FORM AND ESTIMATE OF COST

SECTION A: AUDIT WORK COST

SERVICE	OPTION YEARS				
	FY 2019/2020	FY 2020-2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Audit and Related Reports	\$ 44,530	\$ 44,530	\$ 44,530	\$ 45,870	\$ 47,250
Preparation of Financial Statements	8,470	8,470	8,470	8,720	8,980
Single Audit and Related Reports *	3,690	3,690	3,690	3,850	4,010
Total for Fiscal Year (not to exceed)	\$ 56,690	\$ 56,690	\$ 56,690	\$ 58,440	\$ 60,240
Annual Increase		\$ -	\$ -	\$ 1,750	\$ 1,800

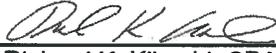
* Quoted price includes the testing of one major program. Additional program will be \$1,950

SECTION B: HOURLY BILLING RATES FOR ENGAGEMENT

POSITION	OPTION YEARS				
	FY 2019/2020	FY 2020-2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Partner	\$ 266	\$ 266	\$ 266	\$ 274	\$ 282
Manager	176	176	176	81	187
Senior Accountant	133	133	133	137	141
Staff Accountant	119	119	119	123	126
Clerical	Inluded	Inluded	Inluded	Inluded	Inluded
Other	Inluded	Inluded	Inluded	Inluded	Inluded

If it should become necessary for the City to request additional services, such additional work will be performed in an addendum to the contract between the City and LSL using the schedule of hourly rates above.

Name of Firm: Lance, Soll & Lunghard LLP

Authorized Signature: 

Name of Authorized Person: Richard K. Kikuchi, CPA

Title: Managing Partner

Address: 203 N. Brea Blvd, Suite 203

City/State/Zip: Brea, CA 92870

Telephone: 714-672-0022

Email: Richard.Kikuchi@lslcpas.com

AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MANHATTAN BEACH AND LANCE, SOLL &
LUNGHARD, LLP

This First Amendment (“Amendment No. 1”) to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation (“City”) and Lance, Soll & Lunghard, LLP, a California limited partnership (“Consultant”) (collectively, the “Parties”) is hereby entered into as of March 20, 2022 (“Effective Date”).

RECITALS

A. On March 20, 2019, the City and Consultant entered into an agreement for professional services for the Consultant to provide financial audit and related services statements and reports. (“Agreement”);

B. Prior to the expiration of the Term of the Agreement both Parties desired to increase the Maximum Compensation and extend the Term; however, due to clerical oversight, the Parties did not execute an Amendment to memorialize the mutual desire to increase the Maximum Compensation and extend the Term prior to the termination of the Agreement;

C. The Parties now desire to amend the Agreement to increase the Maximum Compensation and extend the Term.

NOW, THEREFORE, in consideration of the Parties’ performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 2 of the Agreement is hereby revised to extend the Term of the Agreement through March 31, 2024, unless sooner terminated as provided in Section 12 of the Agreement.

Section 2. Section 3.A of the Agreement is hereby revised to increase the Maximum Compensation amount by \$127,680.00, for a new Maximum Compensation of \$297,750.00.

Section 3. “Exhibit B- Approved Fee Schedule” of the Agreement is hereby replaced by Exhibit B.1 attached to this Amendment.

Section 4. Except as specifically amended by this Amendment No. 1, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year first shown above.

[SIGNATURE PAGE FOLLOWS]

Approved for use 2/15/20

The Parties, through their duly authorized representatives are signing this Amendment No. 1 on the date stated in the introductory clause.

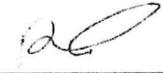
City:

City of Manhattan Beach,
a California municipal corporation

Consultant:

Lance, Soll & Lunghard, LPP,
a California limited partnership

By: _____
Name: Bruce Moe
Title: City Manager

By:  _____
Name: Bryan Gruber
Title: Managing Partner

ATTEST:

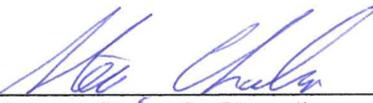
By: _____
Name: _____
Title: _____

By: _____
Name: Liza Tamura
Title: City Clerk

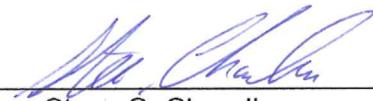
APPROVED AS TO FORM:

By: _____
Name: Quinn M. Barrow
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By:  _____
Name: Steve S. Charelian
Title: Finance Director

APPROVED AS TO CONTENT:

By:  _____
Name: Steve S. Charelian
Title: Finance Director

**EXHIBIT B.1
APPROVED FEE SCHEDULE**



BEST AND FINAL OFFER COST PROPOSAL

CITY OF MANHATTAN BEACH

AUDIT WORK COST PROPOSAL FORM AND ESTIMATE OF COST

SECTION A: AUDIT WORK COST

SERVICE	OPTION YEARS				
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Annual Increase		\$ -	\$ -	\$ 1,750	\$ 1,800

* Quoted price includes the testing of one major program. Additional program will be \$1,950

SECTION B: HOURLY BILLING RATES FOR ENGAGEMENT

POSITION	OPTION YEARS				
	FY 2019/2020	FY 2020-2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
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Senior Accountant	133	133	133	137	141
Staff Accountant	119	119	119	123	126
Clerical	Inluded	Inluded	Inluded	Inluded	Inluded
Other	Inluded	Inluded	Inluded	Inluded	Inluded

If it should become necessary for the City to request additional services, such additional work will be performed in an addendum to the contract between the City and LSL using the schedule of hourly rates above.

Name of Firm: Lance, Soll & Lunghard LLP

Authorized Signature: 

Name of Authorized Person: Richard K. Kikuchi, CPA

Title: Managing Partner

Address: 203 N. Brea Blvd, Suite 203

City/State/Zip: Brea, CA 92870

Telephone: 714-672-0022

Email: Richard.Kikuchi@lslcpas.com



February 24, 2022

Julie Bondarchuk
Financial Controller
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

At your request, we are providing you a quote to prepare the City of Manhattan Beach (City)'s Financial Transactions Report (State Controller's Report) for fiscal year ending June 30, 2022. The report will be prepared on a regulatory basis in the form prescribed by the California State Controller.

We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the City's State Controller's Report. The City's State Controller's Report will not be accompanied by a report and will clearly indicate that no assurance is provided on it.

Our fee for the preparation of this report will be \$4,325.

Again, Lance, Soll & Lunghard, LLP looks forward to continue to provide quality services to the City of Manhattan Beach. Should you or any other representative of the City have additional questions regarding this quote, please do not hesitate to contact Bryan Gruber, Engagement Partner at (714) 672-0022.

Sincerely yours,

Lance, Soll & Lunghard, LLP

