



# Request for Proposal

## RFP 808

### Auditing Services

Proposal Due Date:  
February 27, 2012  
10:00 a.m. local time

Prepared by:  
City of Ann Arbor  
Purchasing Unit  
301 E. Huron Street  
Ann Arbor, MI 48107



## REQUEST FOR PROPOSALS AUDITING SERVICES

The City of Ann Arbor is accepting Proposals from Certified Public Accounting firms to provide Auditing Services for the City in accordance with the terms and conditions of this request for Proposal for Auditing Services. The City is interested in a five year contract with the option to extend for two (2) years on an annual basis at the City's approval. The Audit services will begin with the fiscal audit responsibilities for June 30, 2012 and potentially ending June 30, 2018 if extensions are granted by the City.

This RFP contains a detailed set of specifications and requirements for the scope of work required by the successful Bidder. Each Bidder shall be required and expected to meet the RFP specifications and requirements in their entirety, except to the extent exceptions are expressly noted in the Bidder's Proposal and those exceptions are expressly agreed to by the City in writing.

Immediately following, you will find various instructions and requirements for Bidders regarding the submission of a Proposal, the specifications and requirements for the services requested by this RFP, and the form of contract under which the services shall be provided.

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# 1. GENERAL OVERVIEW

## A. Purpose

The purpose of this RFP is to establish a contractual relationship with an experienced and qualified firm to provide Auditing Services to the City in the most efficient and cost-effective manner. The City may select one or more experienced and qualified entities to proceed with the negotiation process from those submitting Proposals. The process will include the review and evaluation of the two sections described within the Auditing Services RFP. Past experience will also be judged by the references of each Bidder.

## B. Type of Audit

The audit will encompass a financial and compliance examination of the City's Comprehensive Annual Financial Report (CAFR), in accordance with the laws and /or regulations for the State of Michigan, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards; the Single Audit Act of 1984; the Single Audit Act Amendment of 1996; the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and all other applicable laws and regulations.

## C. Definitions

**"City"** = The City of Ann Arbor, Michigan.

**"Bidder"** = An individual or business submitting a Proposal to the City of Ann Arbor.

**"RFP"** = The request for proposal - RFP808 for Audit Services.

## D. Introduction

This RFP includes the requirements and specifications for contracted Audit Services by the City of Ann Arbor. This RFP includes the instructions for submitting Proposals and the criteria by which Bidders may be selected.

This is a request for Proposal only. Proposals will be treated as offers to enter into the Contract (as described below) with the City. The City of Ann Arbor and successful Bidder shall memorialize their contractual relationship and obligations through execution of the Contract. The form of Contract attached hereto as Appendix A.

## E. Time Line

RFP Release	January 27, 2012
RFP Due Date	February 27, 2012 before 10 am
RFP Review	February/March 2012
Council Approval and Contract Award	March 2012

## 2. BID SPECIFICATIONS

### A. Term

The City intends to continue the contractual relationship with selected Bidder for no less than five years. The contract term will include audits for fiscal years with the option to extend two (2) years on an annual basis with the City's approval. The Auditing Services will begin June 30, 2012 and potentially end June 30, 2018, if City grants extension.

### B. Scope of Work

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Single Audit Act Amendments, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The audit must be conducted in a timely manner such that all necessary financial and compliance information (adjusting journal entries, if necessary, in final form for proofing and reconciliation to the City's records) for all funds are completed and presented to the City Chief Financial Officer and Accounting Services Manager, no later than the 1<sup>st</sup> of October each year, to enable the City to prepare its CAFR. If the City is unable to provide schedules/documents prepared by the Accounting Services Staff at the agreed upon time, above time frames will be appropriately extended.

Accounting Services Staff will draft all CAFR statements, schedules and notes to the financial statements (except those listed below). Auditor reviews and comments should be turned into the Accounting Manager by mid-October each year.

The auditor will audit the following entities and draft their statements:

Retirement System (Pension Trust)  
VEBA (OPEB Trust)  
Fifteenth District Court  
DDA

These entities maintain their own accounting systems and records as well as internal controls and policies and are not part of the City's financial system. They are located offsite from the City's accounting office location. The auditor will also draft the following:

#### **SEFA**

Schedule of Findings and Questioned Costs  
Schedule of Prior Year Audit Findings

Please note the Housing Commission is not included in the scope of this bid but is considered a discretely presented component unit of the City.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentations, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, an opinion will be given as to whether the supplemental information is fairly stated in all materials respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

### **C. Audit Contract & Payment of Audit Fees**

The audit contract with the selected firm must be approved by the City Council. A sample agreement is included as Appendix A. Invoices are subject to approval by the Accounting Services Manager, if applicable, prior to processing by the City. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the Accounting Services Manager and the approval of the audited financial statements.

### **D. Other Services**

The Accounting Services Staff may require the auditor's guidance on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as for inclusion in the City's CAFR. Guidance may be required for new note disclosure, GASB implementations and other reporting requirements at June 30<sup>th</sup> of each year.

Other financials will be supplied as separate financial reports for the Retirement System, Fifteen District Court, Housing Commission, DDA, and VEBA.

### **E. Audit Time Requirements**

The City of Ann Arbor will have all records ready for audit and necessary management personnel available to meet with the firm's personnel on or around August 31st of each year or an alternate date mutually agreed upon by the Accounting Services Manager and the audit firm.

A draft review of the CAFR & Auditor comments shall be returned to the Financial Services Area Attn: Karen Lancaster, Accounting Manager no later than October 15<sup>th</sup>.

The Financial Services Area will complete their review of the comments as expeditiously as possible. It is expected that this process should not exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed opinion for the CAFR shall be delivered to the Accounting

Services Manager. It is anticipated that this process will be completed and the CAFR delivered by October 31<sup>st</sup>.

### **3. TECHNICAL PROPOSAL REQUIREMENTS**

A. The Technical Section shall address the requested information below. The Proposal responses must correspond to the number system below.

1. Indicate the number of people (by job title) located within the local office that will handle the audit.
2. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed, and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the reporting model (GASB 34).
3. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
4. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new reporting model should be clearly communicated.
6. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.
8. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
9. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference.
10. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards. Provide a copy of the firm's Statement of Policy and Procedures.
11. Describe liability insurance coverage. Include informational Certificate of Insurance with coverage types and amounts (Professional Liability, General Liability, and Workers Comp)
12. The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for over 22 years. Indicate whether your firm has previous experience auditing financial statements that have earned this recognition.
13. Describe any regulatory action taken and/or notice of intent to be taken by any oversight body against the proposing audit organization or local office.

14. Provide any additional information considered pertinent to this proposal. Publications of your firm, such as directories, articles, or simple newsletters may be included, but should not be voluminous.

#### **4. Governmental Entity and Accounting System**

##### **A. Contact Person**

The auditor's principal contact with the City of Ann Arbor will be Karen Lancaster, CPA, CPFO, Accounting Services Manager, or a designated representative, who will provide the assistance by the City of Ann Arbor to the auditor.

##### **B. Entity**

The City of Ann Arbor (Michigan) has a population of approximately 114,000 citizens. The City operates under a Council - Administrator form of government and provides the following services as authorized by its charter: public safety (police, fire, and building inspection), traffic control and street maintenance, refuse collection, water and wastewater, parks and recreation, public improvements, planning and zoning, airport, urban re-development and housing, golf courses, and general administrative services. The City of Ann Arbor has 688 FTE's and issues bi-weekly payroll checks/advice for 1,000 employees (permanent and temporary).

##### **C. Budgets**

The City budgets all funds on the modified accrual basis of accounting as required by Michigan law. Appropriations are made at the service area for the General Fund and fund total level for all other budgeted funds. The City also maintains an encumbrance system. Both the budgetary, and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures. More detail information on the City of Ann Arbor and its finances can be found in the June 30, 2011 Comprehensive Annual Financial Report (CAFR) and our Adopted Budget by accessing the City of Ann Arbor's website: [www.a2gov.org](http://www.a2gov.org).

##### **D. Accounting Records**

The city maintains all its accounting records in City Hall, 301 East Huron Street, Ann Arbor. The City maintains its cash receipts journal, cash disbursements journal, general ledger and accounts receivable ledger on New World System's LOGOS software. Software packages used are as follows:

General Ledger~Payables, Receivables, Procurement, & Budget (Logos)  
Payroll (Ultimate)  
BS&A Software/Equalizer Tax-Property Assessment, tax billing & collections and special assessment  
Water/Sewer Billing (Cogsdale)  
Other - developed by in-house programming staff.

## E. Fund Structure

As of June 30, 2011, the City of Ann Arbor and its component units used the following fund types in its financial reporting:

Fund Type	Individual Funds
General Fund	1
Special Revenue Funds	32
Debt Service Funds	2
Capital Projects Funds	5
Permanent Fund	1
Proprietary Funds	8
Internal Service Funds	6
Fiduciary Funds	5
Pension Trust Fund	2
Component Units ( <i>DDA, Smart Zone LDFA &amp; Housing Commission</i> )	3

The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial section also contains required supplemental information in addition to the basic financial statements.

## F. Pension Plans

The City of Ann Arbor participates in a defined benefit pension plan as follows:

- ❖ City of Ann Arbor Retirement System- actuarial services provided by Buck Consultants

The City also has a VEBA trust to pre-fund retiree health care

- ❖ VEBA- actuarial services provided by Buck Consultants.

## G. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit schedules and management letters should contact Karen Lancaster, Accounting Services Manager at (734) 794-6512. The City of Ann Arbor will use its best efforts to make prior audit reports and supporting schedules available to proposers.

## H. Grants

A copy of the Schedule of Federal and Pass-through Expenditures for the year ended June 30, 2011 can be found on-line at [www.a2gov.org](http://www.a2gov.org).

# 5. CITY STAFF ASSISTANCE

## A. Accounting Services Area Assistance

The Accounting Services staff will make available to the auditor sufficient help to pull and re-file records, and prepare and mail all necessary confirmations. City personnel will make every attempt to perform the necessary accounting procedures and complete agreed upon documents no later than dates set each year. Adequate notification will be given prior to any changes in estimated times. The Accounting

staff will prepare CAFR schedules using internal financial reports. The City is aware of and understands the need to provide assistance to the auditor and will make every attempt to meet agreed upon deadlines.

**B. Statements and Schedules to be Prepared by the Staff of the City of Ann Arbor**

The staff of the City will prepare all required supporting work papers, confirmations, comprehensive annual financial report including footnotes and statistical information.

**C. Work Area, Telephone, Photocopying and Fax Machines**

The City will provide the auditor with reasonable workspace, computer access, desks and chairs. The auditor will also be provided with access to one telephone line, photocopying facilities and a FAX machine.

**D. Report Preparation**

Report formatting and printing shall be the responsibility of the auditor reports other than the CAFR.

**E. City Liaison**

Following the signing of the contract, all communications concerning the contract must be directed to: Karen Lancaster, CPA, Accounting Services Manager, located at 301 East Huron Street, Ann Arbor, MI 48107. Karen can be contacted via e-mail at [Klancaster@a2gov.org](mailto:Klancaster@a2gov.org) or by phone at (734) 794-6512.

**6. INSTRUCTIONS TO BIDDERS**

**A. Proposal Preparation**

Each Bidder shall assume all cost incurred by it or others acting on its behalf in preparing or submitting a Proposal, or otherwise responding to this RFP, or any negotiations incidental to its Proposal or this RFP.

**B. Exceptions to RFP Specifications**

Any exceptions to the terms and conditions contained in this RFP, the form or Contract contained in this RFP or any other special considerations or conditions requested or required by the Bidder MUST be specifically enumerated by the Bidder and be submitted as part of its Proposal, together with an explanation as to the reason such terms and conditions or the RFP for form of Contract cannot be met. The successful Bidder shall be required and expected to meet the specifications and requirements set forth in the RFP and the form of Contract in their entirety, except to the extent exceptions are expressly set forth in the Bidder's Proposal and those exceptions are expressly accepted by the City as part of the award and documented accordingly in the Contract.

### **C. Addendum**

If it becomes necessary to revise any part of the RFP, notice of the revision will be posted to MITN and the City of Ann Arbor purchasing website for all parties to download. Each Bidder must in its Proposal, to avoid any miscommunications, acknowledge all addendums which it has received, but the failure of a Bidder to receive, or acknowledge receipt of; any addendum shall not relieve the Bidder of the responsibility for complying with the terms thereof.

The City will not be bound by oral responses to inquiries or written responses other than written addendums.

### **D. Verbal Representations**

Proposals must contain in writing all the terms and conditions of the offer being made. Verbal representations made before or after Proposals are submitted will not be considered unless they are followed up in writing and signed by both parties.

### **E. Proposal Withdrawal**

Bidders may withdrawal their proposals, if they desire, anytime before the Due Date. All Proposals submitted shall not be withdrawn and shall be irrevocable for a minimum of sixty (60) days following the Due Date for receipt of Proposals set forth within RFP.

### **F. Compliance Requirements**

If total costs of all services rendered by the Respondent to the City of Ann Arbor in the last 12 months exceed \$10,000 in combination with this Proposal, Respondent will be required to comply with the City Living Wage Ordinance. Human Rights compliance is required for all services valued over \$10,000. If total costs of all services rendered in connection with this Proposal to the City by the Respondent exceed \$25,000, City Council approval will be required.

#### **1. Non-Discrimination by City Contractor(s)**

All contractors proposing to do business with the City of Ann Arbor, except those specifically exempted by regulations promulgated by the Administrator and approved by City Council, shall receive approval from the Human Resources Director prior to entering into a professional services agreement with the City. Said firms shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex. See Form in Appendix C.

#### **2. Living Wage**

All contractors proposing to do business with the City of Ann Arbor, except those specifically exempted by City Code, agree to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code and, if a "covered employer" as defined

therein to pay those employees providing services to the City under this agreement a “living wage” as defined in Chapter 23 of the Ann Arbor City Code; and, if requested by the City, provide documentation to verify compliance. See Form in Appendix D.

#### **G. Questions or Clarification on RFP Specifications**

All questions regarding this RFP shall be submitted via email. Emailed questions and inquires will be accepted from any and all prospective Bidders in accordance with the terms and conditions of the RFP.

All questions must be emailed to [KLancaster@a2gov.org](mailto:KLancaster@a2gov.org) by the deadline date and time of February 21, 2012 at 4:00 p.m.

#### **H. Proposal Submission**

All Proposals are due and must be delivered to the City **no later than 10:00 a.m.** (local time) on **February 27, 2012 (the due date)**. Proposals submitted via oral, telephonic, telegraphic, electronic mail or facsimile **will not** be considered or accepted.

Each Bidder must submit one original Proposal (with pricing contained in a separate sealed envelope) and six (6) additional Proposal copies in a sealed envelope clearly marked: **RFP 808 – Auditing Services, Bidders name and address.**

**Proposals must be addressed and delivered to:**

City of Ann Arbor  
Procurement Unit, 5<sup>th</sup> Floor  
301 East Huron Street  
P.O. Box 8647  
Ann Arbor, MI 48107

All Proposals received on or before the Due Date will be publicly opened and recorded immediately. No immediate decisions are rendered.

Proposals should be date/time stamped/signed at the address above in order to be considered. Normal business hours are 8:00 a.m. to 4:00 p.m. Monday through Friday. The City will not be liable to any Bidder for any unforeseen circumstances, delivery or postal delays. Postmarking to the Due Date will not substitute for receipt of the Proposal. Each Bidder is responsible for submission of their Proposal.

Additional time will not be granted to a single Bidder; however, additional time may be granted to all Bidders when the City determines that circumstances warrant it.

## **7. General Conditions**

### **A. Reservation of Rights**

1. The City reserves the right in its sole and absolute discretion to accept or reject any or all Proposals or alternative Proposals, in whole or in part, with or without cause.
2. The City reserves the right to waive or not waive informalities or irregularities in bids or bidding procedures, and to accept or further negotiate cost, terms, or conditions of any bid determined by the City to be in the best interests of the City even though not the lowest bid.
3. The City reserves the right to request additional information from any or all Bidders.
4. The City reserves the right not to consider any Proposal, which it determines to be unresponsive and deficient in any of the information, requested within RFP.
5. The City reserves the right to determine whether the scope of the project will be entirely as described in the RFP, a portion of the scope, or a revised scope be implemented.
6. The City reserves the right to select one or more bidder to perform services.
7. The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted.
8. The City reserves the right to disqualify Proposals that fail to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents outlined within RFP.

### **B. Collusive Bidding**

The Bidder certifies that their Proposal is made without any previous understanding, agreement or connection with any person, firm or corporation making a Proposal for the same services and is in all respects fair, within outside control, collusion, fraud, or otherwise illegal action

### **C. Confidentiality of Proposals**

Proposals and supporting material become the property of the City and are subject to disclosure under the provisions of Public Act No. 442 of 1976 known as the "Freedom of Information Act". The Bidders must ensure that suitable measures will be taken to assure the confidentiality of the City and the City's data.

#### **D. Release of Claims**

Each Bidder, by its submission of its bid releases the City from any and all claims arising out of, and related to, the RFP process and selection of a Contractor.

#### **E. Finality of Decision**

Any decision made by the City, including the Contractor selection, shall be final.

#### **F. Debarment**

Submission of a Proposal in response to this RFP is certification that the Bidder is not currently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal departments or agency. Submission is also agreement that the City will be notified of any changes in this status.

#### **G. Professional Services Agreement**

Consultants selected to do business with the City of Ann Arbor will be required to execute the standard Professional Services Agreement with the City (a sample agreement in Appendix A). The City will not entertain requests to revise, amend, or change the language of the standard Professional Services Agreement. Bidders must base their proposal on the assumption that, if selected, they will execute the Professional Services Agreement.

#### **H. Proposal Quality**

By submission of a Proposal, the Bidder certifies that in connection with this Proposal: a) the fees in the Proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition as to any matter relating to such fees with any other Bidder or with any competitor; and b) unless otherwise required by law, the fees which have been quoted in the Proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award directly or indirectly to any other prospective Bidders or to any competitor; and c) no attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not submit a Proposal for the purpose of restricting competition. Any Bidder who cannot make the above certification as stated must furnish a signed statement with the proposal which sets forth in detail the circumstances of the disclosure with the understanding that the Proposal will not be considered unless the issuing office determines that such disclosure was not made for the purpose of restricting competition.

**I. Proposal Preparation**

Proposals should be prepared providing a straight-forward, concise description of the Bidder’s ability to meet the requirements of the RFP. Proposals shall be written in ink or typewritten. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the Proposal.

**8. Fee Proposal**

**A. Proposal Requirements**

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked – “Fee Proposal.”

This section shall consist of completed cost estimate sheets, which must include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of specialists.
4. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
5. Assistance expected from the government’s staff, if other than outlined in the RFP.
6. Tentative schedule for completing the audit within the specified deadlines of the RFP.
7. Specify total costs for each of the five (5) years as outlined in the RFP, list the flat rates. Please list each fee separately for each financial audit as follows:

A. City of Ann Arbor audit (including SEFA) \$\_\_\_\_\_

B. Downtown Development Authority \$\_\_\_\_\_

C. Employees’ Retirement System \$\_\_\_\_\_

D. VEBA Trust \$\_\_\_\_\_

E. 15<sup>th</sup> District Court \$\_\_\_\_\_

**B. Fee Signature Authority**

Each person signing the Proposal certifies that he/she is the person in the Bidder’s firm/organization responsible for the decision as to the fees being offered in the Proposal and has not and will not participated in any action contrary to the terms of this provision.

## **9. PROPOSAL EVALUATION PROCEDURES**

### **A. Additional Information**

During the evaluation process, the City of Ann Arbor reserves the right, where it may serve the City of Ann Arbor's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Ann Arbor, firms submitting Proposals may be requested to make oral presentations as part of the evaluation process.

The City plans to evaluate the qualifications of all firms submitting Proposals before considering the Fee Proposal.

### **B. Review of Proposals**

The City of Ann Arbor will use a formula during the review process to score Proposals. Each member of the Review Committee will first score each technical Proposal by each of the criteria described in Section C below. The full Review Committee will then review and discuss these evaluations and combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with an unacceptably low technical score will be eliminated from further consideration. After the composite technical score for each firm has been established, the Fee Proposal will be opened and additional points will be added to the technical score based on the Fee Proposal.

### **C. Evaluation Criteria**

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored. The following represent the principal selection criteria, which will be considered during the evaluation process. The decisions and opinions of the Audit Committee regarding Proposal evaluations are final and cannot be appealed.

#### **1. Mandatory Elements**

- a. The audit firm is independent and licensed to practice in Michigan (Complete Attachment E).
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Ann Arbor.
- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

2. Expertise and Experience (Maximum Points - 40)
  - a. The firm's past experience and performance on comparable government engagements.
  - b. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
3. Audit Approach (Maximum Points - 30)
  - b. Adequacy of proposed staffing plan for various segments of the engagement.
  - c. Adequacy of procedures and techniques to be applied.
2. Fee (Maximum Points - 30)

## 10. Contract

### A. Contract Requirements

The Respondent selected to do business with the City of Ann Arbor will be required to execute the standard Agreement with the City (a specimen copy is included with this RFP as Attachment C) and all required supporting documentation (insurance, living wage compliance forms, etc.) before the commencement of work. The City will not entertain requests to revise, amend, or change the language of the standard Agreement except where necessary to incorporate the scope of services and compensation for same as awarded. Proposal submitters must base their proposal on the assumption that, if selected, they will execute the City's standard Agreement. Proposal submitters are encouraged to review prior to submission to the following provisions of the standard Professional Services Agreement: **Indemnification, Consultant's Liability Insurance, Nondiscrimination and Termination.**

### B. Contract Execution

The Bidder selected to provide the services requested under this RFP will be required to execute the contract and furnish all required supporting documentation within ten (10) days of the award of the Contract.

## 11. RFP Checklist

### A. INFORMATION REQUIRED FROM ALL PROPOSAL SUBMITTERS

Bidders shall organize Proposals into the following Sections:

- A. Technical Proposal Requirements & Professional Qualifications
- B. Past Involvement with Similar Projects
- C. Proposed Work Plan
- D. Fee Proposal (include in a separate sealed envelope)
- E. Authorized Negotiator
- F. Appendix

**APPENDIX A**

**AGREEMENT BETWEEN**

**AND THE CITY OF ANN ARBOR  
FOR PROFESSIONAL SERVICES**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 100 North Fifth Avenue, Ann Arbor, Michigan 48104 ("City"), and \_\_\_\_\_  
("Consultant") a(n) \_\_\_\_\_  
(State where organized) (Partnership, Sole Proprietorship, or Corporation) with its address  
at \_\_\_\_\_ agree as follows on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

The Consultant agrees to provide professional services to the City under the following terms and conditions:

**I. DEFINITIONS**

Administering Service Area/Unit means \_\_\_\_\_.

Contract Administrator means \_\_\_\_\_, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Consultant under this Agreement

Project means \_\_\_\_\_.  
Project name; File and Subfile No.

**II. DURATION**

This Agreement shall become effective on \_\_\_\_\_, 20\_\_\_\_, and shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in this Agreement.

**III. SERVICES**

- A. The Consultant agrees to provide professional \_\_\_\_\_ (type of service) services ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.
- B. Quality of Services under this Agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Consultant shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- D. The Consultant may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

**IV. COMPENSATION OF CONSULTANT**

- A. The Consultant shall be paid in the manner set forth in Exhibit B. Payment shall be made monthly, unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Consultant, and approved by the Contract Administrator.
- B. The Consultant will be compensated for Services performed in addition to the Services described in Section III, only when those additional Services have received prior written approval of the Contract Administrator. Compensation will be on the basis of reasonable time spent and reasonable quantities of materials used, according to the schedule of rates in Exhibit B. The Contract Administrator shall be the sole arbitrator of what shall be considered "reasonable" under this provision.

- C. The Consultant shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Consultant. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

**V. INSURANCE/INDEMNIFICATION**

- A. The Consultant shall procure and maintain during the life of this contract, such insurance policies, including those set forth below, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the acts were made by the Consultant or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

- 1. Professional Liability Insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.

- 2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident  
Bodily Injury by Disease - \$500,000 each employee  
Bodily Injury by Disease - \$500,000 each policy limit

- 3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground Coverage or Pollution. Further, the following minimum limits of liability are required:

\$1,000,000	Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined
\$2,000,000	Per Job General Aggregate
\$1,000,000	Personal and Advertising Injury

- 4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

- 5. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.

- B. Insurance required under V.A.3 and V.A.4 of this contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.

- C. In the case of all contracts involving on-site work, the Consultant shall provide to the City, before the commencement of any work under this contract, documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage

amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Consultant supplies a copy of the endorsements required on the policies. Upon request, the Consultant shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this contract, the Consultant shall deliver proof of renewal and/or new policies to the Administering Service Area/Unit at least ten days prior to the expiration date.

- D. Any insurance provider of Consultant shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- E. To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Consultant shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortious acts or omissions by the Consultant or its employees and agents occurring in the performance of this Agreement.

## **VI. COMPLIANCE REQUIREMENTS**

- A. Nondiscrimination. The Consultant agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate any inequality based upon race, national origin or sex. The Consultant agrees to comply with the provisions of Section 9:161 of Chapter 112 of the Ann Arbor City Code, Exhibit C.
- B. Living Wage. The Consultant is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Consultant agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) and specified in Exhibit D; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23. A copy of selected provisions of Chapter 23 of the Ann Arbor City Code is attached as Exhibit D.

## **VII. WARRANTIES BY THE CONSULTANT**

- A. The Consultant warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Consultant warrants that it has all the skills, experience, and professional licenses necessary to perform the Services specified in this Agreement.
- C. The Consultant warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this Agreement.
- D. The Consultant warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

## **VIII. TERMINATION OF AGREEMENT**

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice.

- B. The City may terminate this Agreement if it decides not to proceed with the Project by notice pursuant to Article XII. If the Project is terminated for reasons other than the breach of the Agreement by the Consultant, the Consultant shall be compensated for reasonable time spent and reasonable quantities of materials used prior to notification of termination.
- C. Consultant acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Consultant. The Contract Administrator shall give the Consultant written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.
- D. The remedies provided in this Agreement will be cumulative, and the assertion by a party of any right or remedy will not preclude the assertion by such party of any other rights or the seeking of any other remedies.

**IX. OBLIGATIONS OF THE CITY**

- A. The City agrees to give the Consultant access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Consultant of any defects in the Services of which the Contract Administrator has actual notice.

**X. ASSIGNMENT**

- A. The Consultant shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Consultant shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Consultant shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

**XI. NOTICE**

All notices and submissions required under this Agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this Agreement when personally delivered to the Contract Administrator or placed in the U.S. mail, postage prepaid to the Administering Service Area/Unit, care of the Contract Administrator.

**XII. CHOICE OF LAW**

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

**XIII. OWNERSHIP OF DOCUMENTS**

Upon completion or termination of this Agreement, all documents (i.e., deliverables) prepared by or obtained by the Consultant as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Consultant as instruments of service unless specifically incorporated in

a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Consultant.

Unless otherwise stated in this Agreement, any intellectual property owned by Consultant prior to the effective date of this Agreement (i.e., preexisting information) shall remain the exclusive property of Consultant even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

**XIV. CONFLICT OF INTEREST**

Consultant certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Consultant further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

**XV. SEVERABILITY OF PROVISIONS**

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

**XVI. EXTENT OF AGREEMENT**

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Consultant with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. This Agreement may be altered, amended or modified only by written amendment signed by the Consultant and the City.

**FOR CONSULTANT**

By \_\_\_\_\_

**FOR THE CITY OF ANN ARBOR**

By \_\_\_\_\_  
Steve D. Powers, City Administrator

By \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

**Approved as to substance**

\_\_\_\_\_  
Tom Crawford CFO, Service Administrator

**Approved as to Form and Content**

\_\_\_\_\_  
Stephen K. Postema, City Attorney

**APPENDIX B  
CITY OF ANN ARBOR  
FAIR EMPLOYMENT PRACTICE**

The contractor, its agents or sub-contractors, shall comply with all requirements of Chapter 112 of Title IX of the Code of the City of Ann Arbor and in particular the following excerpts there from:

9:161 NONDISCRIMINATION BY CITY CONTRACTORS

(1) All contractors proposing to do business with the City of Ann Arbor shall satisfy the nondiscrimination administrative policy adopted by the City Administrator in accordance with the guidelines of this section. All contractors shall receive approval from the Director prior to entering into a contract with the City, unless specifically exempted by administrative policy. All City contractors shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex.

(2) Each prospective contractor shall submit to the City data showing current total employment by occupational category, sex and minority group. If, after verifying this data, the Director concludes that it indicates total minority and female employment commensurate with their availability within the contractor's labor recruitment area, i.e., the area from which the contractor can reasonably be expected to recruit, said contractor shall be accepted by the Director as having fulfilled affirmative action requirements for a period of one year at which time the Director shall conduct another review. Other contractors shall develop an affirmative action program in conjunction with the Director. Said program shall include specific goals and timetables for the hiring and promotion of minorities and females. Said goals shall reflect the availability of minorities and females within the contractor's labor recruitment area. In the case of construction contractors, the Director shall use for employment verification the labor recruitment area of the Ann Arbor-Ypsilanti standard metropolitan statistical area. Construction contractors determined to be in compliance shall be accepted by the Director as having fulfilled affirmative action requirements for a period of six (6) months at which time the Director shall conduct another review.

(3) In hiring for construction projects, contractors shall make good faith efforts to employ local persons, so as to enhance the local economy.

(4) All contracts shall include provisions through which the contractor agrees, in addition to any other applicable Federal or State labor laws:

(a) To set goals, in conference with the Human Resources Director, for each job category or division of the work force used in the completion of the City work;

(b) To provide periodic reports concerning the progress the contractor has made in meeting the affirmative action goals it has agreed to;

(c) To permit the Director access to all books, records and accounts pertaining to its employment practices for the purpose of determining compliance with the affirmative action requirements.

(5) The Director shall monitor the compliance of each contractor with the nondiscrimination provisions of each contract. The Director shall develop procedures and regulations consistent with the administrative policy adopted by the City Administrator for notice and enforcement of non-compliance. Such procedures and regulations shall include a provision for the posting of contractors not in compliance.

(6) All City contracts shall provide further that breach of the obligation not to discriminate shall be a material breach of the contract for which the City shall be entitled, at its option, to do any or all of the following:

(a) To cancel, terminate, or suspend the contract in whole or part and/or refuse to make any required periodic payments under the contract;

(b) Declare the contractor ineligible for the award of any future contracts with the City for a specified length of time;

(c) To recover liquidated damages of a specified sum, said sum to be that percentage of the labor expenditure for the time period involved which would have accrued to minority group members had the affirmative action not been breached;

(d) Impose for each day of non-compliance, liquidated damages of a specified sum, based upon the following schedule:

<u>Contract Amount</u>	<u>Assessed Damages Per Day of Non-Compliance</u>
\$ 10,000 - 24,999	\$ 25.00
25,000 - 99,999	50.00
100,000 - 199,999	100.00
200,000 - 499,999	150.00
500,000 - 1,499,999	200.00
1,500,000 - 2,999,999	250.00
3,000,000 - 4,999,999	300.00
5,000,000 - and above	500.00

(e) In addition the contractor shall be liable for any costs or expenses incurred by the City of Ann Arbor in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under this contract.

## APPENDIX C

### CITY OF ANN ARBOR CONTRACT COMPLIANCE FORM INSTRUCTIONS FOR COMPLETING

#### City Policy

The “non discrimination in contracts” provision of the City Code, (Chapter 112, Section 9:161) requires contractors/vendors/grantees doing business with the City not to discriminate on the basis of actual or perceived race, color, religion, national origin, sex, age, condition of pregnancy, marital status, physical or mental limitations, source of income, family responsibilities, educational association, sexual orientation, gender identity or HIV status against any of their employees, any City employee working with them, or any applicant for employment. It also requires that the contractors/vendors/grantees include a similar provision in all subcontracts that they execute for City work or programs.

This Ordinance further requires that each prospective contractor/vendor submit employment data to the City showing current total employee breakdown by occupation, race and gender. This allows the Human Rights Office to determine whether or not the contractor/vendor has a workforce that is reflective of the availability of women and under-represented minorities within the contractor’s labor recruitment area (the area where they can reasonably be expected to recruit employees). ***This data is provided to the City on the Human Rights Contract Compliance Forms (attached).***

#### To complete the form:

- 1) **If a company has more than one location, then that company must complete 2 versions of the form. Form #1** should contain the employment data for the **entire corporation.** **Form #2** should contain the employment data for those employees: who will be working on-site; in the office responsible for completing the contract; or, in the case of non-profit grantees, those employees working on the project funded by the City grant(s).
- 2) If the company has only one location, fill out Form #1 only.
- 3) Complete all data in the upper section of the form including the name of the person who completes the form and the name of the company/organization’s president.
- 4) Complete the Employment Data in the remainder of the form. Please be sure to complete all columns including the Total Columns on the far right side of the form, and the Total row and Previous Year Total row at the bottom of the form.
- 5) Return the completed form(s) to your contact in the City Department for whom you will be conducting the work.

#### **For assistance in completing the form, contact:**

Procurement Office of the City of Ann Arbor  
734/794-6576

If a contractor is determined to be out of compliance, the Procurement Office will work with them to assist them in coming into compliance.

**CITY OF ANN ARBOR PROCUREMENT OFFICE**  
**HUMAN RIGHTS CONTRACT COMPLIANCE FORM**  
 Entire Organization (Totals for All Locations where applicable)

**Form #1**

Name of Company/Organization \_\_\_\_\_ Date Form completed \_\_\_\_\_

Name and Title of Person Completing this Form \_\_\_\_\_ Name of President \_\_\_\_\_

Address \_\_\_\_\_ County \_\_\_\_\_ Phone # \_\_\_\_\_  
 (Street address) (City) (State) (Zip) (Area Code)

Fax# \_\_\_\_\_ Email Address \_\_\_\_\_  
 (Area Code)

**EMPLOYMENT DATA**

Job Categories	Number of Employees (Report employees in only one category)													
	Male						Female						TOTAL COLUMNS A-L	
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native		
A	B	C	D	F	E	G	H	I	J	K	L			
Exec/Sr. Level Officials														
Supervisors														
Professionals														
Technicians														
Sales														
Admin. Support														
Craftspeople														
Operatives														
Service Workers														
Laborers/Helper														
Apprentices														
Other														
<b>TOTAL</b>														
<b>PREVIOUS YEAR TOTAL</b>														

CITY OF ANN ARBOR PROCUREMENT OFFICE  
HUMAN RIGHTS CONTRACT COMPLIANCE FORM  
Local Office (Only those employees that will do local or on-site work, if applicable)

Form #2

Name of Company/Organization \_\_\_\_\_ Date Form Completed \_\_\_\_\_

Name and Title of Person Completing this Form \_\_\_\_\_ Name of President \_\_\_\_\_

Address \_\_\_\_\_ County \_\_\_\_\_ Phone # \_\_\_\_\_  
(Street address) (City) (State) (Zip) (Area Code)

Fax# \_\_\_\_\_ Email Address \_\_\_\_\_  
(Area Code)

**EMPLOYMENT DATA**

	Number of Employees (Report employees in only one category)												
	Male						Female						TOTAL COLUMNS A-L
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native	
A	B	C	D	E	F	G	H	I	J	K	L		
Job Categories													
Exec/Sr. Level Officials													
Supervisors													
Professionals													
Technicians													
Sales													
Admin. Support													
Craftspeople													
Operatives													
Service Workers													
Laborers/Helper													
Apprentices													
Other													
TOTAL													
PREVIOUS YEAR TOTAL													

If you have questions, call Procurement Office at 734-794-6576

APPENDIX D

→ RATE EFFECTIVE MAY 1, 2011-ENDING APRIL 29, 2012←

**LIVING WAGE ORDINANCE – CITY OF ANN ARBOR**

**\$11.83** per hour

if the employer provides health care benefits\*

**\$13.19** per hour

if the employer does **NOT** provide health care benefits\*

Employers providing services to or for the City of Ann Arbor or recipients of grants or financial assistance from the City of Ann Arbor for a value of more than \$10,000 in a twelve-month period of time ***must pay those employees performing work on a City of Ann Arbor contract or grant, the above living wage.***

**ENFORCEMENT**

The City of Ann Arbor may recover back wages either administratively or through court action for the employees that have been underpaid in violation of the law. Persons denied payment of the living wage have the right to bring a civil action for damages in addition to any action taken by the City.

Violation of this Ordinance is punishable by fines of not more than \$500/violation plus costs, with each day being considered a separate violation. Additionally, the City of Ann Arbor has the right to modify, terminate, cancel or suspend a contract in the event of a violation of the Ordinance.

*\* Health Care benefits include those paid for by the employer or making an employer contribution toward the purchase of health care. The employee contribution must not exceed \$.50 an hour for an average work week; and the employer cost or contribution must equal no less than \$1/hr for the average work week.*

**The Law Requires Employers to Display This Poster Where Employees Can Readily See It.**

*For Additional Information or to File a Complaint  
Contact:*

*Linda Newton, Procurement Officer  
734/794-6576 or [Lnewton@a2gov.org](mailto:Lnewton@a2gov.org) LW-1*

**LIVING WAGE ORDINANCE  
DECLARATION OF COMPLIANCE**

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that employers providing services to the City or recipients of grants for financial assistance (in amounts greater than \$10,000 in a twelve-month period of time) pay their employees who are working on the City project or grant, a minimum level of compensation known as the **Living Wage**. This wage must be paid to the employees for the length of the contract/project.

*Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from the Ordinance. If this exemption applies to your firm, please check below:*

\_\_\_\_\_ This company is exempt due to the fact that we employ or contract with fewer than 5 individuals.

\_\_\_\_\_ This non-profit agency is exempt due to the fact that we employ or contract with fewer than 10 employees.

The Ordinance requires that all contractors/vendors and/or grantees agree to the following terms:

a) To pay each of its employees performing work on any covered contract or grant with the City, no less than the living wage, which is defined as \$11.83/hour when health care is provided, or no less than \$13.19/hour for those employers that do *not* provide health care. It is understood that the Living Wage will be adjusted each year on April 30, and covered employers will be required to pay the adjusted amount thereafter. The rates stated above include any adjustment for 2011.

b) Please check the boxes below which apply to your workforce:

Employees who are assigned to *any covered* City project or grant will be paid at or above the applicable living wage without health benefits Yes \_\_\_\_\_ No \_\_\_\_\_

**OR**

Employees who are assigned to *any covered* City project or grant will be paid at or above the applicable living wage with health benefits Yes \_\_\_\_\_ No \_\_\_\_\_

c) To post a notice approved by the City regarding the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.

d) To provide the City payroll records or other documentation as requested; and,

e) To permit access to work sites to City representatives for the purposes of monitoring compliance, investigating complaints or non-compliance.

The undersigned authorized representative hereby obligates the contractor/vendor or grantee to the above stated conditions under penalty of perjury and violation of the Ordinance.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address City State Zip

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Phone (area code)

\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Date signed

**Questions about this form? Please contact:**  
Procurement Office, City of Ann Arbor  
Phone: 734/794-6576