

**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT  
ATTACHMENT 1 – AUDIT SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_ day of \_\_\_, 2017 by and between Antelope Valley Community College District, of Los Angeles County, State of California, hereinafter referred to as the "District", and \_\_\_\_\_, Certified Public Accountants, hereinafter referred to as the "Auditor".

WITNESSETH: That the parties have mutually covenanted and agreed, and by those present do covenant and agree with each other, as follows:

**AUTHORITY**

WHEREAS, the District, pursuant to Section 84040(b) of the California Education Code, hereby employs the Auditor to perform the necessary professional services, including but not limited to those hereinafter set forth in connection with an audit of all funds and of the books and accoW1ts of the District.

**COMPETENCE OF PARTIES**

WHEREAS, it is the intention of the District, consisting of Antelope Valley Community College District, to comply with the provisions of Section 84040 of the Education Code and provide for an audit of the books and records of the District, and

WHEREAS, Auditors are Certified Public Accountants duly authorized to practice and licensed as such by the State Board of Accountancy.

**CONSIDERATION**

THEREFORE, for and in consideration of the mutual covenants, conditions, and promises hereinafter contained, the District hereby employs the Auditor, and the Auditor hereby accepts employment, to audit all books and accounts of said Antelope Valley CommW1ity College District in the following manner and upon the following conditions:

THE PERIOD to be audited shall be for the fiscal year beginning July 1, 2016 and ending June 30, 2017. Antelope Valley Community College District has the option to renew the contract each year for the next four (4) fiscal years. The total maximum term of this agreement shall be for five (5) years.

**AUDIT PROCEDURE AND SCOPE**

THE AUDIT shall be performed in accordance with General Accounting Office standards for financial and compliance audits, in accordance with all applicable FASB and GASB requirements, and shall include to the extent applicable, the audit procedures required by:

The Chancellor's Office of the California Community Colleges:

- California Community Colleges Contracted District Audit Manual
- Student Attendance Accounting Manual
- California Community Colleges Budget and Accounting Manual
- Auxiliary Organizations, Requirements for Accounting, Reporting and Auditing
- Student Fee Handbook

The Publications Section of the Department of General Services:

- California Education Code, Title 5, California Code of Regulations

The U.S. General Accounting Office:

- Guidelines for Financial and Compliance Audits of Federally Assisted Programs

The U.S. Office of Management and Budget:

- Compliance Supplement for Single Audits of State and Local Governments and Non-Profit Organizations
- OMB Circulars A-21, A-110, A-133

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The American Institute of Certified Public Accountants:

- AICPA Audit and Accounting Guide: Audits of State and Local Governments

The scope of the audit shall not be limited to that provided in the aforementioned publications in the event that, in the opinion of the Auditor, particular circumstances warrant extension thereof. THE AUDIT shall include all funds of Antelope Valley Community College District including associated students, food service, and bookstore funds and accounts, and any other funds under the control or jurisdiction of the District. The examination shall include review of internal control systems and review of compliance with State and federal regulatory provisions.

IN CASES WHEREIN the Auditor can and does place reliance upon the work of a state agency, another individual accountant or firm of public accountants or certified public accountants, the Auditor shall state in his report the extent of such reliance and shall name the agency, accountant or accountants upon whose work the Auditor relies. Nothing in this paragraph shall be construed to limit the responsibility of the Auditor or to obligate him to accept or perform work that is not in compliance with the specifications of the engagement.

**FORM AND CONTENT OF REPORT**

FORM AND CONTENT of the audit report shall be in conformity to the extent practicable, with such form and content as prescribed by the Department of Finance under Section 84040.5 of the Education Code and OMB Circular A-133 with respect to federally assisted programs.

IN THE EVENT that circumstances disclosed by the audits indicate that more detailed verification is required in addition to that which would be sufficient under ordinary circumstances, it is agreed that such extended verification shall be completed at the "estimated average cost per hour including out-of-pocket costs" as indicated under Compensation in this agreement, with the hours required agreed upon by both parties prior to commencing the additional verification.

IN THAT EVENT, the Auditor agrees to provide all ascertainable facts relative to such circumstances, together with an estimate or estimates of the additional cost or costs of furnishing a more detailed verification. It is expressly understood that fees relating to such extensions of verification procedures are additional fees as the services relating thereto are not contemplated as being within the scope of services to be performed under this contract. In the event it is agreed not to employ extended procedures, then, and in that event, the audit report will be subject to qualification with respect to the circumstances involved.

**BEGINNING WORK**

THE AUDITOR shall commence work on this engagement as soon as practicable after the execution of this contract.

**RENDERING REPORTS**

THE AUDIT shall be completed, and the audit reports shall be delivered in the manner and to the parties hereinafter set forth, not later than December 31" of each fiscal year. Audit progress reports will be provided, as requested by the District.

**COMPENSATION**

SAID AUDITING SERVICES agreed to be done and performed by the Auditor shall be performed by the Auditor with the aid and assistance of such accountants and clerical employees as shall be employed and paid for by the Auditor. The personal services performed by the Auditor will be billed at the following hourly rates:

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<b>Hourly Rates per Classification:</b>	<b>FY16/17</b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>
Partners	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Managers	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Senior Accountants	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Staff Accountants	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Asst. Accountants	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

THE TOTAL AMOUNT which may be expended for the audit of each fiscal year pursuant to this contract shall not exceed:

\$ \_\_\_\_\_ for Fiscal Year 2016-2017  
 \$ \_\_\_\_\_ for Fiscal Year 2017-2018  
 \$ \_\_\_\_\_ for Fiscal Year 2018-2019  
 \$ \_\_\_\_\_ for Fiscal Year 2019-2020  
 \$ \_\_\_\_\_ for Fiscal Year 2020-2021

THE TOTAL AMOUNT includes a presentation covering a summary of the audit to the Board of Trustees at the January Board meeting and another presentation, if necessary when the Foundation 501C3 audit is complete.

Ten (10) percent of the fee for the annual audit will be withheld until the audit report has been certified by the state controller as conforming to the reporting provisions of subdivision (a) of Education Code Section 14503.

**TERMINATION**

This agreement may be terminated by Antelope Valley Community College District upon thirty (30) days written notice. Funds provided for commodities or services, under the terms of this Agreement, are contingent on availability of public funds. Should sufficient funds not be allocated during those terms, this Agreement may be modified or terminated by Antelope Valley Community College District.

IT IS FURTHER AGREED that the aforesaid total sum of:

\$ \_\_\_\_\_ for Fiscal Year 2016-2017  
 \$ \_\_\_\_\_ for Fiscal Year 2017-2018  
 \$ \_\_\_\_\_ for Fiscal Year 2018-2019  
 \$ \_\_\_\_\_ for Fiscal Year 2019-2020  
 \$ \_\_\_\_\_ for Fiscal Year 2020-2021

Amount shall include any consultations on the audit report, or any revisions thereof of the furnishing of any additional data in connection therewith, as may be required by the Chancellor's Office of the State of California.

IT IS FURTHER AGREED that the Auditor shall, upon the request of the District, assist the District in making estimates of the audit costs for budget purposes, and upon the completion of the audit, render a statement in full of time and expense charges to the District.

**FILING OF REPORTS**

COPIES OF THE REPORT OF EXAMINATION herein required to be made shall be prepared and substantially bound by the Auditor for filing with each of the following offices and departments:

1. County Superintendent of Schools
2. Chancellor's Office - California Community Colleges

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3. State Department of Education -Audits Investigation Division
4. Federal Audit Clearinghouse, Bureau of the Census

**GENERAL TERMS & CONDITIONS**

1. Fees and Reimbursements. District will pay Auditor all amounts owed within 30 days of receipt of Auditor's undisputed billing invoice. The District retains the right to increase or decrease the Services, deliverables, or amount of work as it deems appropriate and at its sole discretion.
2. Licenses and Permits. Auditor and all of the Auditor's employees or agents will secure and maintain in force all licenses and permits as are required by law, in connection with the performance of the Services or the furnishing of materials, articles or deliverables listed in this Agreement. All operations and materials shall be in accordance with the law.
3. Taxes. Auditor will fully complete the Internal Revenue Service W-9 form or other required reporting form. Auditor acknowledges and agrees that it is the Auditor's sole responsibility to make the requisite tax filings and payment to the appropriate federal, state or local tax authorities. The District will not withhold any part of the Auditor's compensation for the payment of social security, unemployment, or disability insurance or any other similar state or federal tax obligation. Auditor agrees to indemnify, defend, and hold the District harmless from any tax consequences.
4. Expenses and Equipment. Auditor is solely and fully responsible for all costs and expenses incident to the performance of the Services by Auditor, including any and all instrumentalities, supplies, tools, equipment, or materials necessary to perform the Services. If the District furnishes any goods, materials, or equipment to Auditor, Auditor assumes complete liability for those goods, materials, or equipment. Auditor agrees to pay for such tools or materials spoiled by it or not otherwise accounted for to the District's satisfaction.
5. Compliance with Applicable Laws. The Services completed herein must meet the approval of the District and are subject to the District's general right of inspection to ensure they are satisfactorily completed. Auditor agrees to comply with all federal, state and local laws, rules, regulations and ordinances that are now or may in the future become applicable to Auditor, the Services, Auditor's business, equipment, and personnel engaged in operations covered by this Agreement, or accruing out of the performance of such operations.
6. Independent Contractor. In the performance of this Agreement, Auditor shall act as an independent contractor. Auditor shall perform the Services and obligations under this Agreement according to the Auditor's own means and methods of work which shall be in the exclusive charge and under the control of Auditor, and which shall not be subject to control or supervision by the District except as to the results of the work. Auditor understands and agrees that he/she/it and all of his/her/its employees shall not be considered officers, employees or agents of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Auditor assumes the full responsibility for the acts or omissions of his/her/its employees or agents as they relate to the Services to be provided under this Agreement. Auditor is not authorized to make any representation, contract or commitment on behalf of the District.
7. Ownership of Intellectual Property. The Services performed hereunder are work made for hire and District shall exclusively own, in perpetuity and worldwide, all rights to and flowing from the work, including any work product, performed under this Agreement. Auditor assigns to District any and all rights Auditor could have, may have, or does have, in the work or the work product performed under this Agreement, and District shall have

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all right, title, and interest in said matters, including the right to secure and maintain the copyright, trademark, or patent of said matters in the name of the District. Independent Contactor consents to the use of Auditor's name in conjunction with the sale, use, performance, and distribution of said matters, for any purpose and in any medium.

8. **Limitation of Liability.** The District's financial obligations under this Agreement are limited to the payment of the compensation provided in this Agreement and Attachment 1. Notwithstanding any other provision of this Agreement, in no event, shall the District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the Services performed in connection with this Agreement.

9. **Indemnity.** Auditor shall indemnify, defend, and hold the District, its Board of Trustees, officers, agents, employees, and volunteers harmless against any and all liability, claims, suits, demands, causes of action, damages, losses, injuries, and expenses, including reasonable attorneys' fees, whether actual or alleged, arising from all acts or omissions to act of Auditor or its officers, agents, employees, volunteers, and subcontractors, including any claim that Auditor infringed a third party patent or copyright or other intellectual property right, unless the liability or claims arise from the District's sole and active negligence or willful misconduct. The provisions of this section shall survive the termination or expiration of this Agreement.

10. **Insurance Requirements.** Upon request, Auditor will provide District a Certificate of Insurance for a minimum of \$1,000,000 per occurrence and \$2,000,000 general aggregate for personal injury, bodily injury, death, other injury, and property damage, naming Antelope Valley Community College District as the holder of the Certificate and as additionally insured.

11. **Protection of Confidential Information.** Auditor understands and acknowledges that during its performance of the Services, it or its employees may have access to private and confidential information in the District's possession, custody or control, including but not limited to private information regarding students, parents, guardians, faculty, donors, employees, staff, alumni, or other personnel data or information and other District related trade secrets, business plans, and other proprietary information ("Confidential Information"). This information may be protected by state and federal law. Auditor will not disclose, copy, or modify any Confidential Information without the prior written consent of the District or unless otherwise required by law. Auditor will promptly notify the District if it becomes aware of any possible unauthorized disclosure or use of the Confidential Information. The provisions of this section shall survive the termination or expiration of this Agreement.

12. **Disabled Accessibility and Electronic and Information Technologies.** Auditor hereby warrants that any goods or services, including any hardware or software products or services, to be provided under the Agreement comply with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194. Auditor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services, which is brought to its attention. Auditor further agrees to indemnify, defend, and hold harmless the District, the Chancellor's Office of the California Community Colleges, and any California community college using the Auditor's products or services from any claim arising out of its failure to comply with these requirements. Failure to comply with these requirements shall constitute a breach and be grounds for termination of the Agreement.

13. **Non-Discrimination Endorsement.** Auditor and District mutually agree that they will comply with all applicable Federal and California state anti-discrimination laws and regulations and agree not to unlawfully discriminate against any prospective or active employee engaged in the work, or against any other person, on the basis of race, color, age, ancestry, national origin, sex, religious creed, marital status, or physical or mental

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disability, medical condition, genetic information, sex, gender, gender identity or expression, or sexual orientation or any other category protected by law, including but not limited to, the California Fair Employment and Housing Act, beginning with Labor Code Section 1410, and Labor Code Section 1735. In addition, Auditor agrees to require like compliance by all hired subcontractors.

14. Provisions Required By Law Deemed Inserted. Each provision of law and clause applicable to this Agreement, or required by law to be inserted in this Agreement, is deemed inserted herein and the Agreement shall be read and enforced as though the provisions are included herein.

15. Audit. Auditor agrees that the District has the right to review, audit, and to copy any of Auditor's or Auditor's sub-consultants' records and supporting documentation pertaining to the performance of this Agreement. Auditor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is required. Auditor agrees to allow the District access to these records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Auditor agrees to include a similar right of the District to audit records and interview staff in any subcontract related to performance of this Agreement.

16. Advertising. Auditor shall not use the name of the District, its officers, directors, employees, or agents, in advertising, social marketing campaigns, publicity releases or otherwise without securing the prior written consent of the District in each instance.

17. Non-waiver. The failure of the District or Auditor to seek redress for violation of, or to insist upon, the strict performance of any term or condition of this Agreement, shall not be deemed a waiver by the party of such term or condition, or prevent a subsequent similar act from again constituting a violation of such term or condition.

18. Notice. All notices required or permitted to be given under this Agreement by either party to the other, shall be in writing and given, served, and received, if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or sent by overnight delivery services, or facsimile transmission, addressed as follows:

For District:  
Mina Hernandez  
Manager, Purchasing  
Antelope Valley Community College District  
3041 West Avenue K  
Lancaster, CA 93536-5426

For Auditor:  
Contact information as referenced in Auditor's Proposal

Any notice personally given or sent by facsimile transmission is effective upon receipt. Any notice sent by overnight delivery service is effective the business day next following delivery by overnight services. Any notice given by mail is effective three days after deposit in the United States mail.

19. Severability. If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect and shall not be affected, impaired or invalidated in any way.

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20. Approval by District’s Board of Trustees. Pursuant to Education Code Section 81655, this Agreement is not valid and does not constitute an enforceable obligation against the District unless and until District’s Board of Trustees has approved or ratified this Agreement as evidenced by a motion duly passed and adopted by the Board of Trustees.

21. Conflict of Interest and Prohibited Interests. No officer, employee, or any other agent of the District authorized in any capacity on behalf of the District to exercise any fiduciary, executive, or other similar functions, shall be allowed to possess or accept, directly or indirectly, or in any part thereof, any financial interest in any contract, bid or other procurement activity of the District. Additionally, no officer, employee, or any other agent of the District similarly authorized, shall be allowed to possess or accept any form of gift, payment, undue advantage or influence, directly or indirectly, or in any part thereof. The District reserves the right, before any Agreement or procurement award is made, to require an affidavit from the respective bidder or Auditor to disclaim in writing any conflict of interest. Furthermore, the District reserves the right to reject any bidder or Auditor if any such conflict is discovered, and subsequently award to the next preferred vendor.

22. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California in accordance with its fair meaning and not strictly for or against the District or Auditor. Any legal proceedings brought to interpret or enforce the terms of this Agreement, shall be brought in Los Angeles County, California.

23. Disputes. Except in the event of the District’s failure to make earned and undisputed payments to Auditor, if the District and Auditor have a dispute, each will continue to perform its respective obligations, including Auditor’s duty to provide and perform the Services, during all attempts to resolve the dispute.

24. Mediation; Arbitration. Parties agree that if any dispute or controversy arises between them in any way arising out of, related to, or connected with this Agreement or its subject matter, they will participate in good faith in mediation and agree to equally share all mediator fees. If the Parties are unable to resolve the dispute or controversy through mediation, the Parties agree to submit the pending dispute or controversy to final and binding arbitration to be held in Los Angeles County, California, and to be governed by the Federal Arbitration Act (“FAA”). By agreeing to this binding arbitration provision, the Parties understand that they are waiving certain rights and protections which may otherwise be available if a claim were determined by litigation in court, including, without limitation, the right to seek or obtain certain types of damages precluded by this arbitration provision, the right to a jury trial, certain rights of appeal, the right bring a claim as a class member in any purported class or representative proceeding; and a right to invoke formal rules of procedure and evidence. The prevailing party shall be awarded all reasonable attorneys’ fees, expert witness fees, and other litigation expenses, expended or incurred in such arbitration or litigation, unless the laws related to the claim that the party prevailed on preclude a court from awarding attorneys’ fees and costs to the prevailing party. The provisions of this section will apply during the term of this Agreement and survives after the termination or expiration of this Agreement.

25. Successors; No Assignment. This Agreement and all terms hereof are binding upon and inure to the benefit of the respective successors of Auditor and the District. Neither Auditor nor District may assign rights or obligations of this Agreement without the prior written consent of the other, which may be withheld or granted in sole discretion of the Party requested to grant consent.

26. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

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27. Entire Agreement. This Agreement, RFP No. AVC2016/2017-8, its attachments and Auditor’s Proposal to RFP No. AVC2016/2017-8, constitute the sole entire Agreement and understanding between the District and Auditor concerning their subject matter. It replaces and supersedes all prior agreements or negotiations, whether written or verbal. It may not be modified except in a writing signed by the District and Auditor.

28. Time of Performance. Time is of the essence and Auditor shall perform the Services required by this Agreement in an expeditious and timely manner so as not to unreasonably delay the purpose of this Agreement.

**IN WITNESS WHEREOF**, the District and Auditor have executed this Agreement as of the dates set forth below.

**AUDITOR:**

**ANTELOPE VALLEY COMMUNITY COLLEGE  
DISTRICT:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: Edward Knudson  
Title: Superintendent/President  
Date: \_\_\_\_\_