

**AGREEMENT FOR GOVERNMENTAL ACCOUNTING STANDARDS BOARD
(GASB) CONSULTING SERVICES BETWEEN CHERRY BEKAERT ADVISORY, LLC
AND CITY OF SANTA ANA**

THIS AGREEMENT is made and entered into on this 20th day of May, 2025 by and between Cherry Bekaert Advisory, LLC, (“Consultant”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

RECITALS

- A. On February 24, 2025, the City issued a Request for Proposal No. 25-025 (“RFP”), by which it sought a qualified consultant to provide special skill and knowledge in the field of Governmental Accounting Standards Board (GASB) consulting services, more specifically assist in implementation of Statement No. 101 (Compensated Absences) and reviewing the GASB 87 (Leases and 96 (Subscription-Based Information and Technology Arrangements (SBITA) contracts/agreements.
- B. Consultant submitted a responsive proposal that was selected by the City, which is referenced herein as if set forth in full. Consultant represents that Consultant is able and willing to provide such services to the City that were described in the scope of work included in the RFP.
- C. In undertaking the performance of this Agreement, Consultant represents that it is knowledgeable in its field and that any services performed by Consultant under this Agreement will be performed in compliance with such standards as may reasonably be expected from a professional consulting firm in the field.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. SCOPE OF SERVICES

Consultant shall perform during the term of this Agreement, the tasks and obligations including all labor, materials, tools, equipment, and incidental customary work required to fully and adequately complete the services described and set forth in **Scope of Services - Exhibit A**, attached hereto and incorporated by reference.

2. COMPENSATION

- a. City agrees to pay, and Consultant agrees to accept as total payment for its services for City, the rates and charges identified in **Compensation - Exhibit B**. The total amount to be expended during the term of this Agreement shall not exceed \$156,000. This includes a base amount of \$130,000 and a contingency amount of \$26,000, for additional services, to be exercised at the City’s sole discretion.

- b. Payment by City shall be made within forty-five (45) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. City and Consultant agree that all payments due and owing under this Agreement shall be made through Automated Clearing House (ACH) transfers. Consultant agrees to execute the City's standard ACH Vendor Payment Authorization and provide required documentation. Upon verification of the data provided, the City will be authorized to deposit payments directly into Consultant's account(s) with financial institutions. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.

3. TERM

The term of this Agreement shall be for a period of two (2) consecutive years, beginning with the fiscal year ending June 30, 2025 through the fiscal year ending June 30, 2026. City shall retain an option, in its sole discretion, to extend consulting services for three (3) additional one-year periods, exercisable by a writing by the City Manager and the City Attorney, for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, unless terminated earlier in accordance with Section 15, below.

4. INDEPENDENT CONTRACTOR

Consultant shall, during the entire term of this Agreement, be construed to be an independent Consultant and not an employee of the City. This Agreement is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow the City to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this Agreement; however, the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services. Consultant shall pay all salaries and wages, employer's social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes.

5. OWNERSHIP OF MATERIALS

This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement, not to include Consultant's work papers ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

6. INSURANCE

Prior to undertaking performance of work under this Agreement, Consultant shall maintain and shall require any subcontractors to obtain and maintain insurance as described below for the entire Term of this Agreement against claims for injuries to persons or damage to property which may arise from or in connection with services, products and materials supplied to City. Total cost of such insurance shall be borne by Consultant.

MINIMUM SCOPE AND LIMIT OF INSURANCE

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence and \$2,000,000 aggregate. Required policy limits can be met with primary and umbrella/excess insurance policies.
2. **Automobile Liability:** Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), with limits no less than **\$1,000,000** combined single limits. In the event Consultant does not maintain commercial automobile liability insurance, City will accept evidence of personal automobile insurance.
3. **Workers’ Compensation:** as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident, policy or employee, for bodily injury or disease. Coverage is not required if Consultant has no employees and signs request to waive such insurance.
4. **Professional Liability Insurance:** with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimum requirements for each line of coverage shown above, the City shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Other Insurance Provisions

The above required insurance policies are to contain, or be endorsed to contain, the following provisions:

1. City, its City Council, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds, under Consultant’s Commercial General Liability and Automobile Liability policies, with respect to any liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, equipment, and personnel furnished in connection with such work or operations.
2. Consultant’s Insurance company(ies) agrees to waive all rights of subrogation for Commercial General Liability and Workers’ Compensation against City, its City Council, its officers, officials, employees, agents, and volunteers for losses paid under the terms of any policy which arise from work performed by Consultant under this Agreement.

3. For any claims related to this contract, Consultant's insurance coverage shall be primary and any insurance maintained by City, its City Council, its officers, officials, employees, agents, or volunteers shall not contribute with it.
4. A severability of interest provision must apply for all the additional insureds, ensuring that Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the insurer's limits of liability.
5. Insurance policies required herein shall provide that coverage shall not be canceled, suspended, voided, reduced in coverage or in limits, non-renewed by the carrier, or materially changed except after thirty (30) days prior written notice has been given to City. Ten (10) days prior written notice shall be provided to City for policy cancellation or non-renewal due to non-payment of premium.
6. Certificate Holder on each Evidence of Insurance certificate shall be: City of Santa Ana, Attention: Executive Director of Finance and Management Services Agency, 20 Civic Center Plaza, M-17, Santa Ana, CA 92701. The name and location of project must be included in the Description of Operations section of each certificate.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the State of California with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to the City.

Verification of Coverage

Consultant shall furnish the City with original Certificates of Insurance and amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

7. INDEMNIFICATION

Consultant agrees to defend, and shall indemnify and hold harmless the City, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Consultant, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this Agreement; and (2)

from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason of Consultant's breach of this Agreement. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section. The Consultant further agrees to indemnify, hold harmless, and pay all costs for the defense of the City, including fees and costs for special counsel to be selected by the City, regarding any covered action set forth above. . City may make all reasonable decisions with respect to its representation in any legal proceeding. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

8. INTELLECTUAL PROPERTY INDEMNIFICATION

Consultant shall defend and indemnify the City, its officers, agents, representatives, and employees against any and all liability, including costs, for infringement of any United States' letters patent, trademark, or copyright infringement, including costs, contained in the work product or documents provided by Consultant to the City pursuant to this Agreement.

9. RECORDS

Consultant shall keep records and invoices in connection with the work to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any services, expenditures, and disbursements charged to the City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of the City to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement during regular business hours. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

10. CONFIDENTIALITY

If Consultant receives from the City information which due to the nature of such information is reasonably understood to be confidential and/or proprietary, Consultant agrees that it shall not use or disclose such information except in the performance of this Agreement, and further agrees to exercise the same degree of care it uses to protect its own information of like importance, but in no event less than reasonable care. "Confidential Information" shall include all nonpublic information. Confidential information includes not only written information, but also information transferred orally, visually, electronically, or by other means. Confidential information disclosed to either party by any subsidiary and/or agent of the other party is covered by this Agreement. The foregoing obligations of non-use and nondisclosure shall not apply to any information that (a) has been disclosed in publicly available sources; (b) is, through no fault of the Consultant disclosed in a publicly available source; (c) is in rightful possession of the Consultant without an obligation of confidentiality; (d) is required to be disclosed by operation of law; or (e)

is independently developed by the Consultant without reference to information disclosed by the City.

11. CONFLICT OF INTEREST CLAUSE

Consultant covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

12. NON-DISCRIMINATION

Consultant shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, gender identity, gender expression, gender, medical conditions, genetic information, or military and veteran status, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, teaching, training, utilization, promotion, termination or other employment related activities or any services provided under this Agreement. Consultant affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

13. EXCLUSIVITY AND AMENDMENT

This Agreement represents the complete and exclusive statement between the City and Consultant, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Consultant. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Consultant or the City unless mutually agreed to in writing executed by both parties. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.

14. ASSIGNMENT

Inasmuch as this Agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have any of the services which are the subject to this Agreement performed by City personnel or by other Consultants retained by City.

15. TERMINATION

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Consultant shall be entitled to receive and the City shall pay Consultant compensation for all services performed by Consultant prior to receipt of such notice of

termination, subject to the following conditions:

- a. As a condition of such payment, the Executive Director may require Consultant to deliver to the City all work product(s) completed as of such date, and in such case such work product shall be the property of the City unless prohibited by law, and Consultant consents to the City's use thereof for such purposes as the City deems appropriate.
- b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

16. WAIVER

No waiver of breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure or right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

17. JURISDICTION - VENUE

This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

18. PROFESSIONAL LICENSES

Consultant shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Santa Ana and all other governmental agencies. Consultant shall notify the City immediately and in writing of its inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

19. NOTICE

Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by fax or other telegraphic communication in the manner provided in this Section, to the following persons:

To City:

City Clerk
City of Santa Ana
20 Civic Center Plaza (M-30)

P.O. Box 1988
Santa Ana, CA 92702-1988
Fax: 714- 647-6956

With courtesy copies to:

Executive Director,
Finance and Management Services Agency
City of Santa Ana
20 Civic Center Plaza (M-17)
P.O. Box 1988
Santa Ana, California 92702

To Consultant:

Attn: General Counsel
Cherry Bekaert Advisory, LLC
3800 Glenwood Avenue, Ste 200
Raleigh, NC 27612

A party may change its address by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address. If sent by mail, communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by fax, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the transmitting facsimile machine, addressed as set forth above. For purposes of calculating these time frames, weekends, federal, state, County or City holidays shall be excluded.

20. MISCELLANEOUS PROVISIONS

- a. Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully, including reasonable costs and attorney's fees, for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.
- b. All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:

CITY OF SANTA ANA


Jennifer L. Hall
City Clerk


Alvaro Nuñez
City Manager

APPROVED AS TO FORM:


SONIA R. CARVALHO
City Attorney

CONSULTANT:

By: 
Andrea Garcia-Miller
Assistant City Attorney


By: _____ Danny Martinez _____
(Title) Partner _____
Tax ID# 88-2725652

RECOMMENDED FOR APPROVAL:



Alexander Trinidad (May 8, 2025 11:16 PDT)
Alexander Trinidad
Acting Executive Director
Finance & Management Services Agency

EXHIBIT A

SCOPE OF SERVICES



CITY OF SANTA ANA

EXHIBIT I

SCOPE OF SERVICES

Consultant shall perform services as set forth below.

A. General Planning and Reporting

1. Before commencing work, Consultant shall meet with City staff to:
 - a. Clarify the intended goals and purpose(s),
 - b. Gain an understanding of City operations, and
 - c. Establish responsibilities.

B. Essential duties include but are not limited to:

1. GASB 87 and GASB 96
 - a. Data collection
 - b. New contracts/agreements review
 - c. Review status of existing contracts/agreements
 - d. Update a comprehensive list of all agreements reviewed and indicate whether they are reported in the ACFR and provide reasons and documentation to support the decision
 - e. Selection and review of discount rate using a template provided by DebtBook
 - f. Update data in DebtBook
 - g. Preparation of journal entries and ACFR footnote disclosure using DebtBook
2. GASB 101
 - a. Review the City's current practice and compensated absences liability
 - b. Determine the most appropriate methodology to implement the new standards
 - c. Data collection including determining historical trends, information about current and expected future eligibility and usage
 - d. Calculation of year-end compensated absences
 - e. Preparation of year-end schedules, journal entries, and footnote disclosure
 - f. Annual review and update
3. Supplemental services contingent upon availability of funds:
 - a. Assist City staff with implementation of future GASB pronouncements
 - b. Review, update, or draft policies and procedures related to GASB implementation.

C. Subcontracting

Should any firm submitting a proposal consider subcontracting portions of the engagement, that fact must be clearly identified in the proposal along with the name of the proposed subcontractor(s). Following the award of the audit contract, no additional subcontracting will be allowed without prior written consent by the City's Executive Director of Finance and Management Services.

EXHIBIT B
COMPENSATION

2. Cost Proposal

We understand and appreciate your desire for professional service providers who are not only highly qualified, but who are also cost-conscious and cost-effective about the work they perform. We are mindful that cost is always a consideration in selecting a professional services firm. Accordingly, we have structured our fee based on our strong desire to develop a mutually rewarding, long-term relationship. Our fees are generally based on the time required to complete the work at our established billing rates. Our fees are also based on other factors such as the complexity of

the work, the skill required, time limits, the experience and abilities of our personnel, and the value of the services rendered.

Within the table below you will see our hourly rates for these services. A key benefit of our engagements is that we can scale up or scale down the level of effort in certain areas based on client budget. We also provide a detailed WIP summary each week so our clients are completely aware of where they are within their budget and what areas the fees correspond to.

Experience Level	Hourly Consulting Rates
Partner/Principal	\$295
Managing Director/Director	\$275
Senior Manager	\$250
Manager	\$210
Senior Associate	\$185
Associate	\$165

The fee below by fiscal year and task is based on the anticipated number of hours needed on the engagement. Should the engagement take fewer hours, you will only be billed for the hours incurred. Our total fiscal year 2025 fee is \$42,550 and our total fiscal year 2026 fee is \$19,500. This leaves an additional \$37,950 for optional supplemental services if the City were to use the entire \$100,000 budget identified. As stated in the RFP, the City is not obligated to spend the entire \$100,000 and will only be billed for time incurred. Please note the reduction in fee in fiscal year 2026 is based on the fact that GASB 101 is largely an implementation year challenge and the tools and templates created in year one make this standard easier to manage in subsequent years.

Service	Hours	Fee
Fiscal Year 2025		
GASB 87	40	\$7,400
GASB 96	40	\$7,400
GASB 101	150	\$27,750
Total Year One	230	\$42,550
Fiscal Year 2026		
GASB 87	40	\$7,800
GASB 96	40	\$7,800
GASB 101	20	\$3,900
Total Year Two	100	\$19,500
Optional supplemental services contingent upon availability of funds	200	\$37,950
Total Fee for Initial of Agreement	530	\$100,000

Additional Details

- ▶ **Renewal** - Cherry Bekaert agrees not to increase annual fees by more than five (5) percent per year, over the prior year, for the three (3) annual renewals. This five percent (5%) limit does not apply to any new services added during the term of this Agreement.
- ▶ A change in fees will apply should the scope of work change significantly. Should this occur, or there is a change in scope because of a change in your operations, we would meet with you to obtain your agreement on any increase in the fee ranges before proceeding.

Out-of-Scope Services

We encourage open lines of communication throughout the year as part of our services. Generally, we do not bill for routine telephone consultations, including calls received during the year regarding compliance questions.

However, should a matter require major research or services not included above, we will bill for these services at established hourly rates as rendered. Before beginning any additional work outside the scope of this proposal, we will discuss anticipated fees with your management to obtain understanding and approval, as well as any anticipated discount based on the timing and complexity of the service.






Cherry Bekaert Advisory LLC - Agreement for GASB Consulting Services - CAO signed 5-7-2025 -Cherry Bekaert signed

Final Audit Report

2025-05-08

Created:	2025-05-08
By:	Kristin Andrade (kandrade@santa-ana.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAgszroRHuAtfVn-7Sn22MYwPUQb56VYTm

"Cherry Bekaert Advisory LLC - Agreement for GASB Consulting Services - CAO signed 5-7-2025 -Cherry Bekaert signed" History

-  Document created by Kristin Andrade (kandrade@santa-ana.org)
2025-05-08 - 4:10:00 PM GMT
-  Document emailed to Alexander Trinidad (atrinidad@santa-ana.org) for signature
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-  Email viewed by Alexander Trinidad (atrinidad@santa-ana.org)
2025-05-08 - 4:11:09 PM GMT
-  Document e-signed by Alexander Trinidad (atrinidad@santa-ana.org)
Signature Date: 2025-05-08 - 6:16:30 PM GMT - Time Source: server
-  Agreement completed.
2025-05-08 - 6:16:30 PM GMT