

## PROFESSIONAL SERVICES TASK ORDER

### TASK ORDER FY23-4.20 Procurement Process Review

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

---

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): C21179340

1B. TASK ORDER NO.: FY23-4.20

2. CONSULTANT NAME: Baker Tilly US, LLP

3. PERIOD OF PERFORMANCE: START: ~~March 1, 2023~~ June 1, 2023 COMPLETION: ~~September 30, 2023~~ December 31, 2023

4 TOTAL TASK ORDER PRICE: ~~\$61,550~~ 80,900

BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT TBD

5. BUDGET CODE \_\_\_\_\_

COST CENTER \_\_\_\_\_

COST ELEMENT \_\_\_\_\_

WBS/CIP \_\_\_\_\_

PHASE \_\_\_\_\_

6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:

Greg Tanaka, Chair of the City Council's Policy and Services Committee

7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)

MUST INCLUDE:

- SERVICES AND DELIVERABLES TO BE PROVIDED
- SCHEDULE OF PERFORMANCE
- MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (*as applicable*)
- REIMBURSABLE EXPENSES, if any (with "not to exceed" amount)

8. ATTACHMENTS: A: Task Order Scope of Services B (if any): N/A

**I hereby authorize the performance of the work described in this Task Order.**

**I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.**

**APPROVED:**  
CITY OF PALO ALTO

**APPROVED:**  
COMPANY NAME: \_\_\_\_\_

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

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

## Attachment A DESCRIPTION OF SCOPE OF SERVICES

### Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With “Not To Exceed” Amount)

### Services & Deliverables

Baker Tilly’s approach to conducting an internal audit of Procurement Process involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Control Review and Testing
- Step 3: Reporting

#### Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
  - Understand the organizational structure and objectives
  - Review the City code, regulations, and other standards and expectations
  - Review prior audit results, as applicable
  - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
  - Refine audit objectives and scope
  - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
  - Discuss audit objectives, scope, audit process, timing, resources, and expectations
  - Discuss documentation and interview requests for the audit

## Step 2 – Control Review and Testing

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to:

- (1) ~~Determine whether adequate controls are in place and working effectively to ensure that the appropriate vendors are selected properly to achieve desired objectives.~~ Determine whether needs assessment, budgeting, solicitation, and vendor selection processes are efficient, effective, and transparent to ensure value for money and fair competition.
- (2) Determine whether the procurement process is valid through proper approvals, adequate segregation of duties, and compliance with applicable laws, regulations, and the City's policies.
- (3) Determine whether technology is used appropriately and effectively to enhance integrity, efficiency, transparency of the procurement process and ensure consistency and validity of the relevant information and data.
- (4) (2) Identify the opportunities to improve the efficiency and effectiveness of the procurement process.

Procedures include, but not limited to:

- Interview the appropriate individuals to gain an understanding of the organizational structure, processes, and controls related to procurement processes from the need assessment and market analysis to contract awarding and administration.
- Review policies and procedures, including Code of Conduct, as well as the legislative and regulatory requirements to identify the criteria to be used for evaluation of control design and effectiveness.
- Review the documents (such as contracts and related procurement files, staff reports to the City Council, and performance reviews) for the selected contracts.
- Analyze the data and information related to procurement, as appropriate.
- Compare the process and controls against the best practices.

## Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
  - Discuss the audit results, findings, conclusions, and recommendations
  - Discuss management responses
- Obtain written management responses and finalize a report

- Review report with members of City Council and/or the appropriate Council Committee

#### Deliverables:

The following deliverable will be prepared as part of this engagement:

- Audit Report

## Schedule of Performance

Anticipated Start Date: ~~March 1, 2023~~ June 1, 2023

Anticipated End Date: ~~September 30, 2023~~ December 31, 2023

## Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$80,900 ~~61,550~~. The not-to-exceed budget is based on an estimate of ~~350~~ 450 total project hours, of which 20 are estimated to be completed by the City Auditor.

## Reimbursable Expenses

We plan to complete all work remote including all interviews and documentation review. If at any point the City and Baker Tilly mutually determine it will be beneficial to perform a portion of the work on-site, we will submit an estimate of our reimbursable expenses for the City's approval prior to traveling to Palo Alto.