

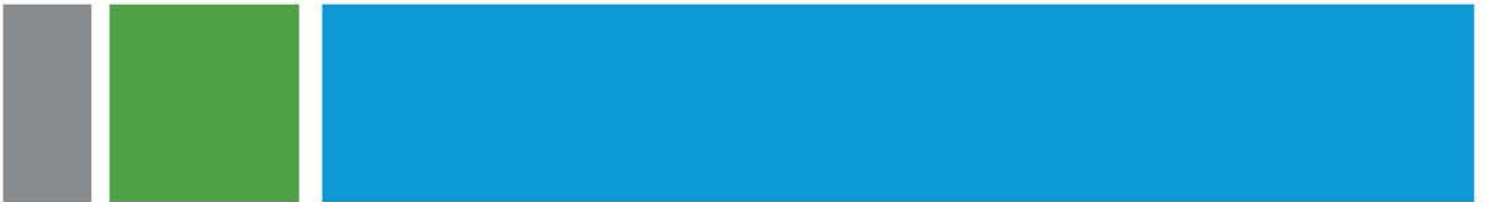
City of Culver City

Proposal to provide Refuse and Recycling Container and
Billing Audit Services

Request for Proposals # 1603

Public Works Department
9770 Culver Boulevard
Culver City, CA 90232-0507

November 10, 2016



RSM US LLP

515 South Flower Street, 41st Floor
Los Angeles, CA 90071

Contact Information:

Dharmesh Choksey
213.330.4709
dharmesh.choksey@rsmus.com

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EXECUTIVE SUMMARY

In preparing this response to your request, RSM US LLP (RSM) carefully considered the City of Culver City's ("Culver City" or the "City") need for a comprehensive audit review of the city's Refuse and Recycling Division commercial bin inventory. Throughout this response, we discuss the resources, team, qualifications and approach that we propose in serving your audit needs. In this section, we present some key differentiators of RSM's services:

| Selection Criteria | The RSM Difference |
|--|---|
| Project experience | Our extensive, dedicated practice in internal audit gives us the depth of understanding required to meet Culver City's needs, backed by proven methodology and industry leading tools to facilitate continuous project management, as well as drive quality and efficiency. |
| State and Local Government focus | <p>RSM has served government entities for over 85 years and has a national practice focused solely on serving state and local government entities and public sector agencies. This enables us to leverage our experience across multiple agencies throughout the country and identify trends and industry practices from a diverse national client base. In contrast, access to diverse experience and insight can be rather limited at "local" firms that do not have a national presence.</p> <p>Our clients include cities and towns, utilities, housing authorities, water districts, redevelopment agencies and transportation authorities. This translates into considerable knowledge of the environment in which government entities operate.</p> |
| Local presence | Culver City deserves a local presence to provide on-site, ad hoc services and face-to-face communication during any project. In our effort to provide the quality, efficient and cost-effective services Culver City deserves, our proposed team is centralized in Southern California, with all team members located in either our Los Angeles or Irvine offices, including our proposed engagement leader, Dharmesh Choksey. |
| An experienced team, ready to provide immediate benefit | <p>Culver City will work with a team with hands-on experience serving clients similar to you in scope and complexity. Team members combine years of internal audit and risk management experience, enabling them to provide value-added services from the very start of the engagement. The engagement team's leaders have experience in all areas relevant to Culver City and you will have ready access to their knowledge and insights.</p> <p>Our team provides insights gained from serving a variety of municipal agencies in California, coupled with inventory and billing experience.</p> |
| Responsiveness | We return phone calls quickly and take your questions seriously. That is a key aspect of the RSM client-service approach. Team leaders are empowered to make decisions, so any issues that arise will be resolved promptly. |

| Selection Criteria | The RSM Difference |
|---|---|
| No surprises during the engagement | We stress in-depth planning of all phases of the engagement, including our communications with you. As a result, Culver City and RSM teams will both understand the process, milestones and responsibilities. Planning begins soon after we are selected as your service provider. |
| National resources | <p>Your team can call on the breadth and depth of resources offered by RSM; with over 9,000 employees in 86 offices. Our national public sector industry practice includes more than 140 partners and principals who are dedicated to handling the needs of public sector entities, plus hundreds of individuals at varying levels of experience.</p> <p>Should the need arise for additional subject matter expertise or resources with specific skills outside of our firm, we will discuss the details of such matters with you and provide subcontractor qualifications for your consideration and approval in advance. At this time, we do not anticipate the use of subcontractors.</p> |
| A culture of learning and sharing | From in-house training to webinars, conferences and publications for clients, RSM stresses knowledge development and dissemination. Culver City will have the benefit of full access to our thinking and perspectives, as we keep you informed of what you need to know about industry risks and their mitigation. |
| Value | Through specialization within the public sector, we create meaningful value for clients through a strong knowledge-base and efficient audit processes. With these credentials in Culver City's corner, your stakeholders can be confident that your audits are conducted in accordance with applicable professional standards. |

Exceptions and requests for modification

We have reviewed the Culver City Request for Proposal #1603 for Refuse and Recycling Container and Billing Audit Services, including Exhibit A, which contains the supplemental terms and conditions ("Terms and Conditions") expected to be incorporated into a negotiated contract ("Agreement").

Except as indicated in **Appendix B**, we are prepared to accept such Terms and Conditions. If the City selects us based upon our response to the RFP, we would seek to negotiate in good faith modifications, additions, or clarifications of the Terms and Conditions of the Agreement in the areas identified in Appendix B.

QUESTIONNAIRE/RESPONSE TO SCOPE OF SERVICES

A. Company and general information

1. Company information

Company Name: RSM US LLP

Company Address: While our firm is headquartered in Chicago, Culver City will be primarily served by RSM's Southern California offices:

| Headquarters | Local Offices |
|--|--|
| One South Wacker Drive, Suite 800 Chicago, Illinois 60606 312.634.3400 | 515 South Flower Street, 41 st Floor Los Angeles, California 90071 213.330.4800 |
| | 18401 Von Karman Avenue, 5 th Floor Irvine, California 92612 949.255.6500 |

2. Letter of transmittal

November 10, 2016

RSM US LLP

City of Culver City
City Clerk
9770 Culver Boulevard
Culver City, CA 90232

Re: Request for Proposals # 1603

To the Evaluation Committee:

We appreciate the opportunity to respond to the Request for Proposals # 1603 (RFP) for Refuse and Recycling Container and Billing Audit Services. The following proposal reflects our understanding of your needs and illustrates the approach we will take in providing professional services for City of Culver City (Culver City).

As requested in the RFP, we have read the terms and conditions identified in the RFP, specifically Exhibit A, and have documented any exceptions or requested modifications in Appendix B of this proposal. Except as indicated in Appendix B, we will comply with all terms and conditions of this RFP.

Culver City requires a trusted advisor and partner that can keep pace with your changing environment and risk profile. In working with RSM, you not only benefit from our significant internal audit experience, you will also have access to a team of skilled professionals who are ready to serve Culver City as your business needs evolve.

Here we would like to highlight key benefits Culver City will receive from RSM:

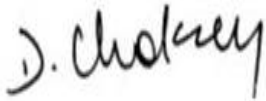
- **Strong local presence:** Culver City deserves a local presence giving you personal attention, frequent communication, and the responsiveness you need in order to quickly address ad hoc needs that arise from time to time. A majority of our resources will be leveraged from our Southern California-based team to provide the client experience you deserve.
- **Senior-level involvement:** You can expect to see your engagement team leaders throughout the engagement taking an active role in planning and coordination.
- **Added value through subject matter advisors:** We will embed the appropriate subject matter advisors into our team when necessary. These professionals will provide additional insights and recommendations specific to the types of audits being performed and leading practices of state and local governments and public sector entities.
- **A tailored approach to delivering audit services:** Our professionals do not take a checklist approach to delivering audit services. Instead, we utilize our industry and technical experience to take a thorough, holistic approach to assessing your business processes. You will find in us an experienced team focused on helping you understand and proactively address your risks, in contrast to an approach targeted toward simply finding fault with historical practices. If multiple skill sets are needed, such as information technology or compliance, we collaborate and work as one team to effectively conduct an integrated audit.

We believe that the unique blend of experienced, local personnel coupled with our collaborative approach to providing internal audit services make our RSM team perfectly suited to be your service provider. We have the breadth of experience and depth of knowledge to deliver the proactive, industry-specific service that you deserve. Everything about us—our culture, our values, our industry expertise, even our locations will help us respond to your needs, earn your trust and contribute to your success. We are confident that our commitment to quality and timely service, range of service capabilities, and spirit of innovation and teamwork will exceed your expectations.

RSM is committed to providing Culver City high-quality services at competitive prices for the long term—delivering value and fiscal responsibility now and well into the future. Once you have had the opportunity to review this response, we look forward to discussing your needs in greater detail or making a presentation to your team. In the meantime, please feel free to contact Dharmesh Choksey or Bill Eggert, authorized representatives of RSM US LLP, with any questions.

Sincerely,

RSM US LLP

A handwritten signature in black ink, appearing to read "D. Choksey".

Dharmesh Choksey, Director
Internal Audit Services
213.330.4709

3. General information about the primary contact who would be able to answer questions about the proposal

Dharmesh Choksey will serve as the primary contact for questions about this proposal, and will serve as the client services coordinator to Culver City for internal auditing services. Dharmesh is a director in RSM's risk advisory services practice, specializing in internal audit services, and is based in our Los Angeles office.

| Primary contact | Contact details |
|---|--|
| Dharmesh Choksey, CPA Director, Risk Advisory Services | 515 South Flower Street, 41 st Floor Los Angeles, CA 90071 213.330.4709 dharmesh.choksey@rsmus.com |

B. Qualifications and experience of the firm

1. Firm history and organizational structure

RSM US LLP is a leading provider of assurance, tax and consulting services focused on the middle market. We guide our clients through complex business challenges by understanding their needs and bringing together the right team to address them.

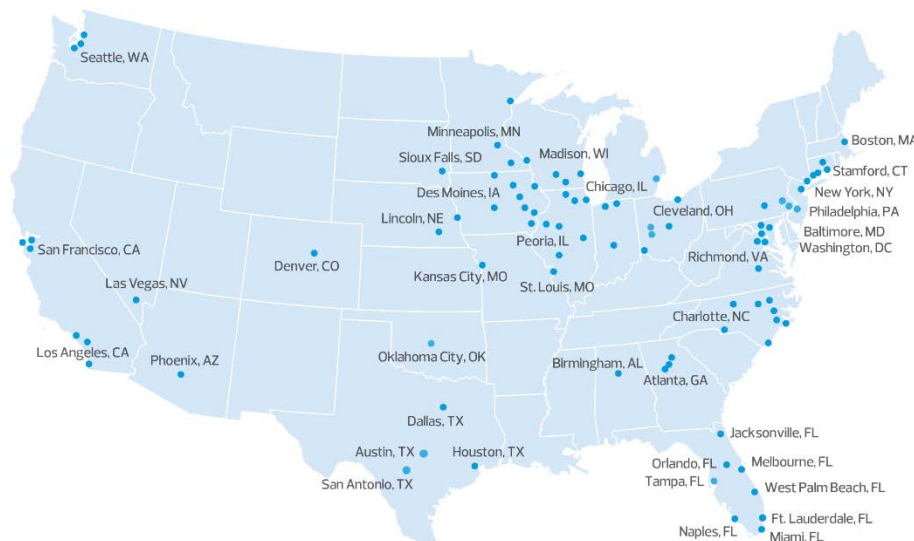
History of the firm

Our founder Ira B. McGladrey had a vision to build a great accounting firm with a solid foundation of client service. RSM US traces its history to 1926 when the I.B. McGladrey Company was established through the purchase of a seven-person office in Cedar Rapids, Iowa, and a one-man practice in Davenport, Iowa.

Over the years, McGladrey grew his firm both organically and by acquiring firms like his own—with down-to-earth attitudes and roots in the community. We continued this trend of joining forces with like-minded firms to become the fifth largest provider of assurance, tax and consulting services in the U.S. and the leading firm focused on the middle market. The principles on which Ira founded his firm are the foundation of RSM's past success and our future strategy.

Size and locations

RSM US LLP is 5th largest provider of audit, tax and consulting services in the U.S., with more than 9,000 people in 86 offices nationwide. Although headquartered in Chicago, Illinois, we have local offices throughout California in Los Angeles, Irvine, San Diego, San Francisco and San Jose.



RSM has over 1,900 consultants nationwide providing risk advisory, financial advisory, and technology and management consulting services. Our Risk Advisory Services practice has over 700 professionals across the U.S., including over 100 located in our West Region, to provide you with local service backed by national resources and thought leadership.

Years in business

Since 1926, RSM has been recognized as a leading service provider with the skill sets that are critical for this engagement. RSM has been operating for **90 years**, serving government entities for 85 years, and providing internal audit services for over 30 years.

Firm structure

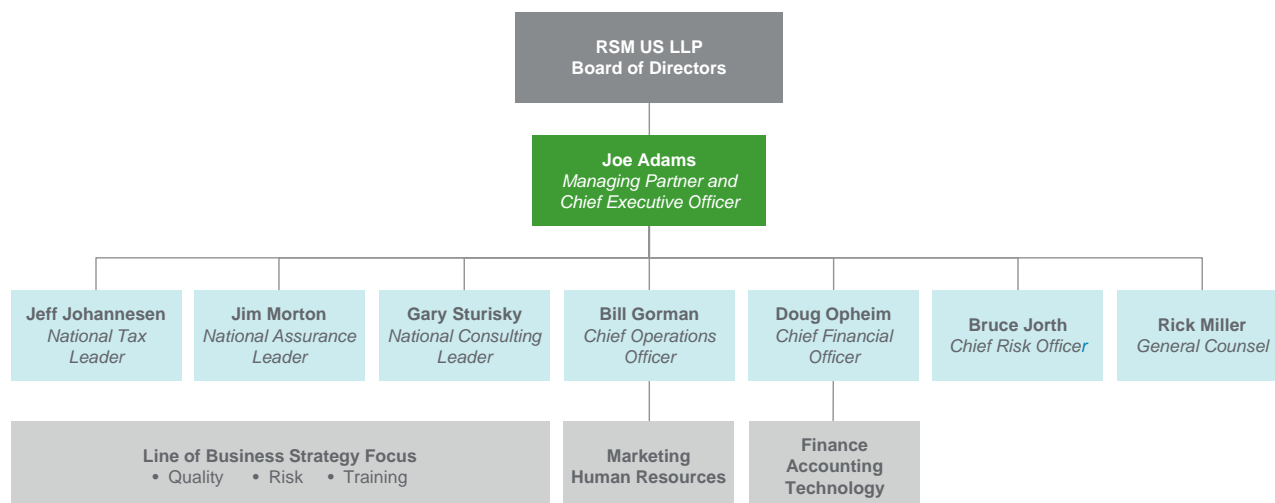
RSM US LLP is a limited liability partnership firm and is registered and authorized to do business as a limited liability partnership in the state of California.

A detailed partnership agreement provides the foundation for the firm's governance, including the requirement for a board of directors and a managing partner. The board of directors is composed of partners and principals who have been elected by written ballot. RSM is led by Managing Partner and Chief Executive Officer Joe Adams, who reports to the board of directors.

The RSM Board of Directors is a 12-member, independent governing body elected by the firm's partners. Members are elected for four-year terms. The Board of Directors sets the firm's strategic direction on a national basis and oversees how RSM interacts with key regulators, such as the Securities and Exchange Commission, American Institute of Certified Public Accountants, Public Company Accounting Oversight Board and state licensing bodies.

We do not anticipate any changes in firm structure, location or size that would impact our ability to perform this engagement.

The following organizational chart presents the leadership structure of our firm:



Staffing

RSM employs over 9,000 professionals across the U.S. As of our more recent fiscal year ended April 30, 2016, RSM's consulting practice staffing levels were as follows:

| Position | Consulting |
|---------------------|--------------|
| Partners/Principals | 121 |
| Directors/Managers | 632 |
| Staff | 1,164 |
| Total | 1,917 |

2. Primary business of the firm

RSM US LLP is a national provider of accounting, tax and consulting services. Our primary service lines are Audit & Assurance, Tax, Risk Advisory, Financial Advisory, Technology & Management Consulting, and Wealth Management.

Within our consulting practice, RSM supports an extensive risk advisory team. Our risk advisory services combine in-depth industry experience, a collaborative, risk-based approach and flexible options—all designed to minimize risk without stifling legitimate growth opportunities. Services we provide include internal audit, IT audit, security and privacy, contract compliance, regulatory compliance, and governance, risk and compliance enterprise risk management.

3. Office responsible for managing this account

Services provided to Culver City will be the primary responsibility of our Los Angeles, California office. Our services will be supplemented by additional team members from other offices in our West Region, as needed.

4. Experience conducting waste container audits

As a national CPA firm, our professionals have performed many waste container audits, either as a discreet project or as part of annual financial audit process. The scope of these audits have included the following:

- Route audit – focus of these audits were to identify route efficiency opportunities
- Container inventory audit – focused on completeness and accuracy of container inventory – by type and location
- Customer billing review – focus of these audits were to reconcile the billing process and identification of revenue leakage

5. Experience reconciling billing accounts for commercial waste customers

At RSM we have performed billing reviews for many clients in the waste industry. The work performed resulted in identification of control gaps and improvement opportunities in the billing and reconciliation process. In addition, the outcome of these reviews enhanced clients' billing process, resulting in accurate billing and increased revenues.

6. Other areas that differentiate RSM from our competitors

In addition to proficient resources with significant experience in performing the scope of work required for this engagement, Culver City can count on RSM to provide specific technology resources as needed to ensure that the engagement is completed and delivered in an efficient manner. This includes technology professionals that understand application controls as well as information technology security.

C. Qualifications and experience of proposed project team

1. Qualification of staff proposed for the assignment

We have earned an outstanding reputation for the integrity of our people and the consistently high level of professionalism with which our practices are conducted. One of the critical factors for any successful engagement is the working relationship and communication that clients have with their consulting firm. This relationship must be built on trust and confidence. We understand the importance of an effective partnership, which is why the foundation of our services emphasizes personal attention and responsiveness to our clients. Our team brings the necessary experience, technical skills, industry knowledge, and benchmarking capabilities to serve our clients' needs.

The table below outlines the roles and relevant experience of the primary members of our proposed team to serve Culver City, as well as proposed subject matter advisors.

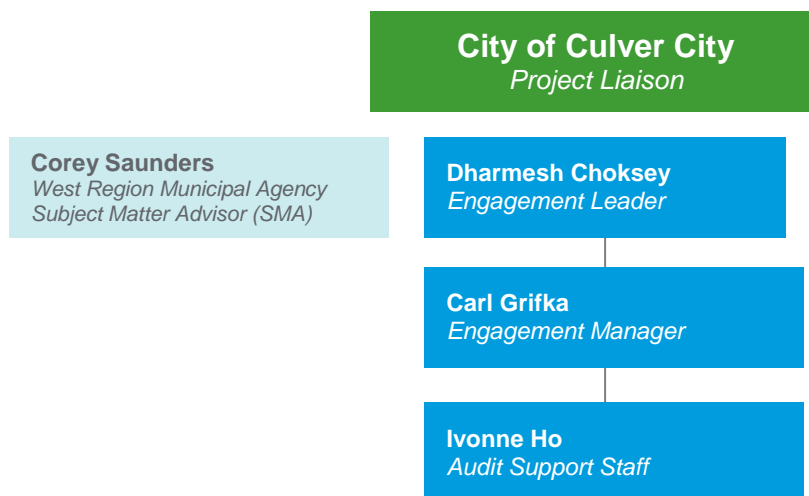
Other professionals and subject matter advisors at the necessary skill and experience level will be called upon to assist in the projects as appropriate. After being awarded the contract, we will not change or replace any of the staff assigned to this engagement without prior approval from our Culver City liaison.

| Team member, engagement role | Municipal agency experience | | Qualifications to serve Culver City |
|---|---|--|--|
| | Agency | Role | |
| Dharmesh Choksey <i>Engagement Leader & Single Point-of-Contact.</i> Dharmesh will serve as your single point-of-contact with respect to all Internal Audit services. He will balance resourcing and skill set specialties, and will lead our integration with your Internal Audit team. | New Mexico Finance Authority | Chief Audit Executive (outsourced internal audit function since Oct. 2014) | <ul style="list-style-type: none"> GRC professional focused on internal audit, IT audit and enterprise risk management Significant experience with project management and COSO and COBIT frameworks |
| Carl Grifka <i>Engagement Manager.</i> In coordination with Dharmesh and James, Carl will oversee the performance of the day-to-day activities of the internal audit services delivered to Culver City. | County of Riverside Santa Clara Valley Transportation Authority (SCVTA) Hawaii Medical Service Association (HMSA) | Internal audit supervisor IT internal audit manager IT SOC manager | <ul style="list-style-type: none"> Significant experience delivering internal audit services to clients in multiple industries Conducted an operational audit and internal controls analysis of financial operations |

| Team member, engagement role | Municipal agency experience | | Qualifications to serve Culver City |
|---|---|--|---|
| | Agency | Role | |
| Ivonne Ho <i>Audit Support Staff.</i> Ivonne will support Carl and Edranita in the performance of audit activities. | County of Riverside New Mexico Finance Authority | Internal audit support staff Internal audit support staff | <ul style="list-style-type: none"> • Focuses on internal audit operations • Significant billing experience |
| Corey Saunders <i>West Region Municipal Agency Subject Matter Advisor (SMA).</i> Corey will be available to address matters specific to public sector organizations and government entities, providing relevant guidance and best practices. | Santa Clara Valley Transportation Authority University of California, Berkeley | Deputy Auditor General (8-10 annual audits) Engagement leader (lead 3 co-sourced internal audits) | <ul style="list-style-type: none"> • Leads the Internal Audit and SOX service line for our West Region • Led and optimized the SOX function at a Fortune 500 waste collection, transfer, recycling and disposal company • Led the post-merger integration workstream to combine and revise over 200 accounting and operational policies for a Fortune 300 logistics organization |

RSM's professionals include trained internal auditors who meet the education requirements of the Institute of Internal Auditors (IIA), Government Auditing Standards (Yellow Book), Association of Certified Fraud Examiners (ACFE), and Information Systems and Controls Association (ISACA). Our internal audit team will be supplemented by our subject matter experts as needed.

The reporting structure of the key personnel we have selected to serve the Culver City is provided in the organizational chart below.



2. Proposed personnel resumes

Please see **Appendix A** for detailed resumes of each proposed member of our project team.

D. Questions/response to scope of services

1. Methods by which your organization will fulfill the services requested

We will coordinate our activities with your designated project coordinator from project planning to report issuance to ensure that our activities continuously meet the project requirements. Based on the information provided in the RFP, it is our understanding that the scope of the engagement is as follows:

- Identify all discrepancies with the number, type and size of containers per account and frequency of service versus what is shown in the Visual RAMS-Pro system for each account. Comprehensively and specifically track all discrepancies in a database.
- Develop a container inventory database of all commercial containers serviced in the field including location, type, and any special conditions.
- Meet with City staff to create a preliminary report of all the accounts and any billing discrepancies identified.
- Work with City staff to plan and implement a process for how each discrepancy identified will be resolved, either by changing the actual level of service provided to match the City's data or by correcting the data in the Visual RAMS-Pro system.
- Based on the final resolution of all account discrepancies, a final summary report with presentation is to be provided with detail on all of these items along with revenue and or cost projections for the results of the audit.

In support of the scope of work and deliverables listed above, we propose to the following approach. We have laid out specific steps that our team will carry out to successfully meet the engagement requirements, with specific activities listed below:

Step I – Project Planning

- Review current policies, procedures and practices
- Inquire of key management and line personnel on process workflow and activities
- Access Visual RAMS-Pro to better understand the data parameters maintained in the system (i.e., type of customer, frequency, number of containers, billing information, etc.)

Step II - Compile container Inventory

- Generate container inventory list by customer location, type of container, serial number, etc.
- Generate route list by route type, customer parameters, frequency, etc.
- Formulate confirmation documentation to obtain from customers of container(s) in their possession, frequency and billing terms
- Perform inventory of containers on each route - customer location, number of containers by size, serial number, etc.
- Compile and analyze data captured from inventory process

- Identify gaps in process and billing information
- Identify process and billing remediation options

Step III – Reconcile and Update Visual RAMS-Pro inventory database

- Reconcile and cleanse data within inventory database
- Update billing data within Visual RAMS-Pro, we expect 25% of customer data to be updated/corrected in the Visual RAMS-Pro system

Step IV - Draft Report and Issue

- Validate gaps identified with management
- Draft report with findings and recommendations
- Issue report and present findings

Key Assumptions

Every successful project predicates a certain level of commitment from all parties. In order for us to collaborate and succeed as a team we have listed below certain assumptions that we will review with you and revise prior to start of work:

- A dedicated project coordinator to facilitate coordination of activities with various department personnel will be identified by the City
- Access to key personnel, Visual RAMS-Pro application and relevant documentation will be made available as needed on a timely basis
- Key management and staff personnel will be available for periodic status and data validation purposes
- Office work space, phone, internet connection, and copiers will be made available to RSM staff at City facilities

2. Service(s) that differentiate RSM from other respondents

Our professionals have experience in performing inventory and billing reviews. In addition, as a national CPA firm, our team members receive annual training to ensure that they are proficient in delivering services to clients in an effective and efficient manner.

Culver City will be served by a team with municipal, inventory and billing experience, all located in our Southern California offices. Our clients include cities and towns, utilities, housing authorities, sanitation districts, water districts, redevelopment agencies and transportation authorities. This translates into considerable knowledge of the environment in which Culver City operates.

In addition to a local service team, your team can call on the breadth and depth of resources offered by RSM. We have included Corey Saunders, partner, as a municipal agency subject matter advisor to enhance the insights and recommendations we are able to provide to Culver City. In addition to his municipal experience, Corey previously led and optimized the SOX function at a Fortune 500 waste collection, transfer, recycling and disposal company.

E. Fees

1. Provide your fees for the proposed services. Fee quotes should be detailed by service.

| Proposed Fees by Phase | Fees |
|--|----------|
| Step I - Project Planning | |
| Review current policy, procedures and practices | \$2,900 |
| Inquire of key management and line personnel on process workflow | |
| Access Visual RAMS-Pro to better understand the level of customer, frequency, billing information currently housed in database | |
| Step II - Compile Container Inventory | |
| Develop container inventory list by customer location, type of container, serial number, etc. | \$30,300 |
| Develop confirmation to obtain from customers of container(s) in their possession, frequency and billing terms | |
| Perform inventory of containers on each route - customer location, # of container by size, serial number | |
| Compile and analyze data captured from inventory process | |
| Identify gaps in process and billing information | |
| Identify process and billing remediation options | |
| Step III - Visual RAMS-Pro Inventory Database | |
| Reconcile customer data | \$15,000 |
| Step IV - Draft Report and Issue | |
| Validate process and data gaps identified with management | \$7,900 |
| Draft report with findings and recommendations | |
| Issue report and present findings | |
| Total | \$56,200 |

We have provided this estimate based upon our team's extensive experience performing similar services and the information provided by Culver City; however, should we note facts and circumstances during initial planning exercises that would cause us to re-visit this scope, we will consult with you immediately. Factors that can contribute to such changes include major scope changes, loss of key client personnel, requested scope changes or additional information coming to our attention not determined or available during our scoping efforts. We will inform you promptly and seek your approval for any changes in scope, timing or fees that may result from such circumstances.

In addition, as requested in the RFP we will provide staff level resource to assist with data entry in the Visual RAMS-Pro system at a cost of \$115 per hour.

Our acceptance of this engagement is subject to completion of our acceptance procedures.

2. Outline billing and payment expectations, including timing and method of payment.

We will bill our fees bi-weekly. Those fees do not include taxes. You will be responsible for and will pay all applicable sales, use, excise, value-added and other taxes associated with the provision or receipt of the services and deliverables, excluding taxes on our income generally.

Our invoices are payable upon presentation. We reserve the right to charge interest on any invoice that is not paid within 30 days of the invoice date. If you object to any portion of an invoice, you will notify us of your objection within ten (10) days of the date of the invoice, and the parties will promptly make a good faith effort to settle the disputed portion of the invoice. You will in any event pay the portion of the invoice that is not in dispute within such thirty (30)-day period. We reserve the right to suspend or terminate Services if our invoices are not timely paid, in which event we will not be liable for any resulting loss, damage or expense connected with such suspension or termination.

3. Describe any remaining fees not previously detailed in the above.

Expenses

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance.

Special projects

Any special projects that may be requested by Culver City, but are not included in the scope of services detailed in this proposal and RFP #1603 will be billed based on the time and level of experience required to complete the work at the following hourly rates:

| Resource Level | Hourly Rate |
|----------------|-------------|
| Partner | \$300 |
| Director | \$275 |
| Manager | \$200 |
| Associate | \$115 |

F. References

We know that our best endorsement comes from satisfied clients. Our firm and the selected members of your engagement team have extensive experience providing services similar in size and scope to this engagement and have numerous references to offer. Out of respect for our clients' schedules, we kindly ask that you notify us prior to contacting the below references.

| Client Name | Services Provided | Contact Person |
|---|---|---|
| City of Santa Clarita, CA | Annual financial and compliance audits | Darren Hernandez, Director of Administrative Services/Deputy City Manager P: 661.255.4920 E: dhernandez@santa-clarita.com |
| County of Riverside, CA | Internal audit services | Kieu Ngo, Fiscal Manager - Treasurer Office P: 951.955.3954 E: kngo@co.riverside.ca.us |
| City of Sacramento, CA | Internal Penetration Testing, External Penetration Testing, and Payment Card Industry Data Security Standard Report on Compliance | Ignacio Estevez ,Program Manager P: 916.808.7349 |
| Regional Transportation Commission of Southern Nevada | Fixed Route Services – Cost incurred audit | Marc Traasdahl Director of Finance P: 702.676.1509 E: TraasdahlM@rtcshnv.com |

CONFIDENTIAL INFORMATION

G. Implementation schedule

Based on the requirements outlined in the RFP and the Response to Questions we have developed an implementation schedule that covers activities from project planning to execution and issuance of report findings. In the event the City desires to have additional scope of work performed then we will work with you to determine the level of effort and any additional fees prior to incurring additional hours. The following chart depicts the proposed implementation schedule and key tasks, we will make changes to the plan as needed prior to start of fieldwork to satisfactorily meet your requirements.

| Proposed Implementation Schedule by Phase | By Week | | | | | | | |
|--|---------|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Step I - Project planning | | | | | | | | |
| - review current policy, procedures and practices | | | | | | | | |
| - inquire of key management and line personnel on process workflow | | | | | | | | |
| - access Visual RAMS-Pro to better understand the level of customer, frequency, billing information currently housed in database | | | | | | | | |
| Step II - Compile container inventory | | | | | | | | |
| - develop container inventory list by customer location, type of container, serial number, etc. | | | | | | | | |
| - develop confirmation to obtain from customers of container(s) in their possession, frequency and billing terms | | | | | | | | |
| - perform inventory of containers on each route - customer location, # of container by size, serial number | | | | | | | | |
| - compile and analyze data captured from inventory process | | | | | | | | |
| - identify gaps in process and billing information | | | | | | | | |
| - identify process and billing remediation options | | | | | | | | |
| Step III - Visual RAMS-Pro inventory database | | | | | | | | |
| - reconcile data | | | | | | | | |
| Step IV - Draft Report and Issue | | | | | | | | |
| - validate process and data gaps identified with management | | | | | | | | |
| - draft report with findings and recommendations | | | | | | | | |
| - issue report and present findings | | | | | | | | |

In order for us to meet the project milestones outlined above we expect that key personnel and documentation will be made available to us in a timely manner. In addition, our staff will be provided access to the Visual RAMS-Pro system as well as complete billing records and customer information in a timely manner.

H. Certificate(s) of insurance

RSM maintains a level of insurance coverage customary for companies of our financial size and strength. We carry commercial general liability, automotive liability, statutory workers' compensation/ employers' liability, property, network security & privacy liability, professional liability (i.e., errors and omissions), and other miscellaneous insurance policies.

We would request minor modifications to the RFP language to address mechanical aspects of our insurance coverage and process for providing additional insured status (via a blanket endorsement) for applicable policies. Except for the requested changes as identified in Appendix B to this response, should we be selected as Culver City's service provider, we agree to provide a certificate of insurance within ten (10) days after the Notice of Award.

I. Business tax certificate

RSM agrees to obtain a Culver City Business tax certificate during the contracting progress if selected as the successful proposer. This certificate will be renewed annually during the contracted period.

APPENDICES

Appendix A—Engagement team biographies



Dharmesh Choksey

Director, Risk Advisory Services
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Summary of experience

Dharmesh Choksey specializes in internal audit, business process and information technology assessments. Prior to joining RSM, his experience included senior management roles at Big Four firms.

Dharmesh has substantial experience leading and coordinating internal audit and advisory engagements across several industries, with a focus on the financial services, public sector, business and distribution services sectors. He has served as a project manager with the responsibility for planning/ budgeting, execution and delivery of internal audits and project assessments; Sarbanes-Oxley 404 testing; SSAE16 (formerly Statement on Auditing Standards No. 70 [SAS 70] audits) Type 2 reports; process and systems attestations; and controls risk assessments and recommendations.

- Internal Audit
 - Planned and managed significant internal audit co-sourcing and outsourcing engagements through implementation of an integrated audit/business process analysis methodology, which included understanding clients' business objectives and assessing business risks across various industries and involved the identification and evaluation of business process risks and the business process controls to mitigate these risks
 - Managed project planning, budgeting, execution, and delivery of full-lifecycle process assessments for several large and medium size clients; provided subject matter knowledge and guidance on controls documentation, remediation and testing covering all business processes and operations including procure to pay, inventory, order to cash cycles
 - Managed or performed the execution of the internal audit outsourcing and co-sourcing engagements for public and private companies, including banking, technology, financial services, distribution and energy clients of which the outcome included the execution of audits, and reporting and presenting results to management and the audit committee; projects included the review of process control weaknesses and identification of opportunities to streamline and enhance operational efficiencies

- Led enterprise risk assessments that included assisting clients with departmental self-assessment and self-audit methodologies to enhance the clients' control environment, evaluating performance relative to best practices and promoting increased operating efficiencies
- Led business process reviews and audits to understand process and information flows, assess critical processes and controls, identify process weaknesses, breakdowns or inefficiencies and formulate and implement improvement efforts
- Planned and managed service auditor reviews of a leading payroll processor, trust administrator, credit card processing and settlement service provider in accordance with the AICPA SSAE16 standard, control assessments of the general operating environment and application-specific controls of detailed business processes and systems
- Information Technology Assessments
 - Responsible for the project management of a large billing system implementation for a client in the wireless industry; project focus on interface and integrity of data flow of billing information through various systems and applications
 - Managed pre- and post-implementation assessments of enterprise risk planning (ERP) systems for large clients in various industries
 - Assisted clients with vendor selection and validation services to implement general controls review technology solutions and address enterprise risk management programs

Professional affiliations and credentials

- Certified Public Accountant (CPA)
- Lean Six Sigma—Yellow Belt
- AICPA, member
- Institute of Internal Auditors, member

Education

- Bachelor of Science, accountancy, California State University



Carl Grifka

Manager, Risk Advisory Services
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Summary of experience

Carl Grifka specializes in internal audit, business process improvement, IT audit, internal controls review, IT software/system implementation and data conversion review, financial audit, and Sarbanes-Oxley (SOX) Act of 2002 implementation and testing. Carl's experience also includes Service Organization Control (SOC) report testing and Federal Deposit Insurance Corporation Improvement Act (FDICIA) control design and implementation. Prior to joining RSM, Carl was a lead auditor for a Fortune 500 automotive manufacturing firm with global operations and a tax auditor for the US government.

Carl delivers advice and consultation regarding internal audit, IT and business process improvement. Primarily focused on manufacturing and financial services companies, his experience includes:

- Internal audits (integrated with IT) of financial services companies and a large manufacturing firm
- IT audits and system implementation and data conversion reviews
- SOX review and testing procedures, including remediation of internal controls
- Managed the IT audit of a large investment brokerage firm
- Managed internal audits of middle market banks and financial institutions
- Process-level flowcharts of business and information systems to identify control points, control design gaps and process improvements opportunities
- IT walkthroughs and control test of design procedures
- Business process improvement projects in the manufacturing industry
- Contract compliance reviews, which resulted in the enhancement of contract language, key performance indicators and service-level agreements
- Consulting projects for new product offerings and IT system implementations
- Operational audit and internal controls analysis of the financial operations, including customs, for the Mexico operations of a manufacturing firm

Professional affiliations and certifications

- Information Systems Audit and Control Association (ISACA), member
- Project Management Institute (PMI), member
- Institute of Internal Auditors (IIA), member
- Certified Information Systems Auditor (CISA), ISACA
- Project Management Professional (PMP), PMI

Education

- Certificate in Executive Leadership, Cornell University
- Master of Science, finance, University of Michigan, Dearborn
- Bachelor of Arts, accounting, Michigan State University



Ivonne Ho

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Summary of experience

Ivonne provides consulting services with an emphasis on internal audit operations and Sarbanes-Oxley (SOX) compliance.

Prior to joining RSM, Ivonne worked as a SOX analyst under the internal audit department at a commercial bank with over \$11 billion in assets. Her responsibilities included assessing internal control compliance in accordance with Section 404 of the SOX Act, designing and performing testing procedures over operating effectiveness of internal controls, and updating process documentation. Ivonne has experience testing various financial reporting and business cycles, including entity-level controls; lending; allowance for loan, leases, and losses; and goodwill valuation and impairment. Ivonne has also participated in and conducted control testing for a Bank Secrecy Act/Anti-Money Laundering/Office of Foreign Assets Control (BSA/AML/OFAC) audit.

She also worked as a senior loan assistant at this bank, where she provided support to multiple commercial lending units in facilitating timely review and submission of loan documents to be booked and serviced.

Professional affiliations and credentials

- Certified Public Accountant (CPA)
- American Institute of Certified Public Accountants (AICPA)
- Institute of Internal Auditors (IIA)
- Information Systems Audit and Control Association (ISACA)

Education

- Bachelor of Arts, University of California, Berkeley



Corey Saunders

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Summary of experience

Corey Saunders specializes in the delivery of end-to-end internal audit and enterprise risk management solutions, finance function and business process improvement, Sarbanes-Oxley (SOX) assistance, contract compliance and information technology (IT) control evaluation/attestation. Corey has also provided extensive international project management over projects across five continents and almost 20 countries. Prior to joining RSM in 2012, his experience included senior management roles at a Big Four firm and with a Fortune 300 solid waste collection, transfer, recycling and disposal company.

Industry specialization

- Manufacturing and distribution
- Technology
- Consumer products/retail
- Biotechnology
- Business and professional services
- Mining and refining

Notable engagements

- Served as one of three lead directors on an outsourced internal audit engagement for a Fortune 300 multinational copper mining and manufacturing firm
- Assisted a \$6 billion office products manufacturer/distributor as a temporary regional internal audit director reporting to the worldwide internal audit vice president
- Led the process and IT internal audit co-sourcing team for one of the largest counties nationally, and provided a variety of internal audit projects
- Helped lead the post-merger consolidation of the operational and financial policy/procedure manual for a Fortune 300 solid waste collection, transfer, recycling and disposal company
- Completed enterprise risk assessments for, most notably, a Seattle-based biotechnology firm, a Portland-based not-for-profit foundation and an Arizona-based real estate investment trust; designed go-forward periodic board reporting mechanisms and supportive internal audit plans
- Led the SOX compliance program, as well as all corporate financial audits and strategic internal audit initiatives, for a Fortune 300 waste collection, transfer, recycling and disposal company
- Performed contract compliance/licensee inspections for a multinational provider of digital entertainment technology solutions; managed a review over contracts related to the disposition of two \$100MM+ annual revenue subsidiaries of a Fortune 500 copper mining company; performed a contract review for a Fortune 100 aerospace and industrial manufacturer whereby sales contracts were reviewed for completeness and accuracy, while auditing associated revenue recognition for appropriateness

Training and knowledge development

- Conceived and developed a case study covering the Committee of Sponsoring Organizations' risk assessment framework and the Public Company Accounting Oversight Board's Interpretive Guidance (the case was used within Arizona State University's Master of Accountancy program over three academic years, and was also released nationally for use by universities, including the University of Kentucky)
- Participated in the development of national thought leadership providing guidance around clients' application of the Securities and Exchange Commission's Interpretive SOX Guidance over Audit Standard No. 5 ("IG")
 - Lead author of the first of seven point-of-view whitepapers, "Financial Reporting Risk Assessment"
 - Contributing author and reviewer of the second piece in the series, "Leveraging Entity-Level Controls"
 - Co-reviewer of the fourth piece in the series, "Automated Controls"
- Served in the local, regional and national instructor pool; led orientation sessions for managers and partners new to the firm, training sessions for newly promoted senior associates, and general training sessions around risk assessment, SOX service delivery and others

Presentations and other involvement

- Frequent speaker with both the University of Washington and Arizona State University, as well as the IIA chapters in both Phoenix and Seattle, and Lorman Educational Services Seminars. Topics have included, among others, financial risk assessments, business ethics, changes to SOX compliance requirements, and operational auditing

Professional affiliations and credentials

- Certified Public Accountant (CPA)
- American Institute of Certified Public Accountants (AICPA)
- Institute of Internal Auditors (IIA), President—Puget Sound Chapter
- Six Sigma Green Belt

Education

- Bachelor of Science, accountancy, Arizona State University
- Arizona State University's Honors College Member
- Beta Alpha Psi Professional Accounting Fraternity

Appendix B—Exceptions to specifications

We (“Contractor”) have reviewed the Culver City (“City”) Request for Proposal #1603 (“RFP”) for Refuse and Recycling Container and Billing Audit Services, including Exhibit A, which contains the supplemental terms and conditions (“Terms and Conditions”) expected to be incorporated into a negotiated contract (“Agreement”).

Except as indicated below, we are prepared to accept such Terms and Conditions. If the City selects us based upon our response to the RFP, we would seek to negotiate in good faith modifications, additions, or clarifications of the Terms and Conditions of the Agreement in the areas discussed below. In addition, we would seek to negotiate additional general terms and conditions (“Additional Terms and Conditions”) to be included in the Agreement, which would include terms customary and commensurate with the contemplated nature and complexity of the services requested, including by way of illustration, but not limited to, limitations of liability, exclusion of consequential damages, warranty of services provisions, change order management, etc. We expect to use our standard contract terms as the basis for such negotiation. Given our extensive experience in contracting with municipalities similar to the City, we are confident that we can reach an agreement with you on these issues. Notwithstanding anything to the contrary contained in the RFP or this response thereto, our obligation to perform any services is contingent upon the execution by both parties of a definitive agreement.

Exhibit A

VI. INDEMNIFICATION/HOLD HARMLESS CLAUSE: We would request modification to this provision to limit our obligations to claims brought by third parties that arise from negligent or willful acts or omissions by Contractor during the performance of its services. In connection with Contractor’s duty to defend, we would request the addition of a mutually agreed upon, reasonable period of time within which the City shall provide notice of a claim to Contractor (e.g., within thirty (30) days after the City first becomes aware of a claim). Further, we would request the addition of language providing that our total liability, except for our indemnification obligations, be limited to an amount equal to the fees we receive under the Agreement, and exclude indirect, consequential, exemplary or similar such damages.

INSURANCE REQUIREMENTS:

We would request minor modifications to the RFP language to address mechanical aspects of our insurance coverage and process for providing additional insured status (via a blanket endorsement) for applicable policies.

Section I. Contractor will provide standard industry ACORD Certificates of Insurance to evidence proof of the required coverage, which will not include the declarations pages or endorsement lists.

- a. We meet the requirements of the CGL policy and shall provide additional insured status via a blanket endorsement. With respect to I.a.2., we maintain a separate Automobile Liability policy that provides the coverage requested in the amount requested. As respects I.a.3., our CGL policy provides coverage for liability assumed under contract, which would include coverage for the Agreement up to the required CGL limit of liability. Regarding I.a.5., we will provide additional insured status requested via a blanket endorsement.
- d. We would request deletion of the last sentence in this provision.

Section III. ADDITIONAL INSURANCE REQUIREMENTS:

- b. We would request a modification to this provision so that it states that Contractor shall provide the City with at least thirty (30) days prior written notice of any modification, reduction or cancellation where the same does not result in equal or better coverage.
- c. If the City believes additional or different insurance coverage is warranted, we would request that the City provide written notice to Contractor, and that Contractor be allowed a reasonable opportunity to consider whether it can comply with such request prior to agreeing to the same.



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