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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

January 9, 1980

Redevelopment Agency of the City of Sacramento
Housing Authority of the City of Sacramento
City Hall, 915 I Street
Sacramento, California 95814

CITY MANAGER'S OFFICE
RECEIVED
JAN 9 1980

Members in Session:

CITY GOVERNING BOARD

- PHILLIP L. ISENBERG, MAYOR
- LLOYD CONNELLY
- PATRICK B. DONOVAN
- BLAINE H. FISHER
- THOMAS R. HOEBER
- DOUGLAS N. POPE
- JOHN ROBERTS
- ANNE RUDIN
- DANIEL E. THOMPSON

SUBJECT

Procuring External Audit Services for Fiscal Year 1979-80 and through December 31, 1984.

SUMMARY

Attached are resolutions by which you approved the issuance of "Request for Proposal" to select an external audit firm for the Agency. The current audit firm, Essary, Dal Porto, and Lowe, has performed the listed audits for a number of years. The City Council has expressed a desire that the Agency adopt a five-year rotational policy. The Agency proposes to join with the City in its request for proposals for audit services for the next five years.

COUNTY GOVERNING BOARD

- ILLA COLLIN
- C. TOBIAS (TOBY) JOHNSON
- JOSEPH E. (TED) SHEEDY
- SANDRA R. SMOLEY
- FRED G. WADE

BACKGROUND

The Agency has 15 projects or programs which are appropriate for this Request for Proposal, six of them being on a calendar year basis and nine on a fiscal year basis, as shown on the attached list. We are not permitted by the Department of Housing and Urban Development to include our two large biennial DHUD-funded audits. These cover the conventional, Section 23, and Section 8 leasing programs and the federally-funded activities in the downtown Redevelopment Projects Nos. 3 and 4. Our Request for Proposal for the DHUD-funded audits will come before you separately and at the times designated by DHUD, normally every two years.

Various other projects and programs carried out by the Agency are audited by the grantor agency or, as in the case of Community Development Block Grant funds, by the external auditors of the City or the County. The Agency is not billed for any of those audits.

FINANCIAL

1979 audit costs for the 15 funds listed is estimated at \$10,800. Audit costs will continue to be paid from the fund undergoing the audit.

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
Date 1/15/80

APPROVED
SACRAMENTO HOUSING AUTHORITY
Date 1/15/80

1-15-80

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the City of Sacramento
Housing Authority of the City of Sacramento

Page Two

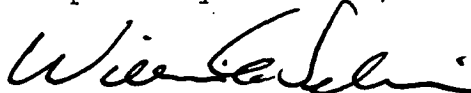
PROPOSED SELECTION PANEL

The Agency's participation in the selection panel does not appear necessary. It is expected that the City-authorized panel can recommend the same auditor for the Agency as it does for the City, although the panel may decide to select a different proposer for the Agency for cost or other reasons. Either choice should be satisfactory. An Agency representative will attend the pre-proposal conference to answer any questions that might be asked by the proposers.

RECOMMENDATION

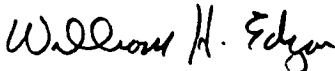
It is recommended that you adopt the attached resolutions.

Respectfully submitted,



WILLIAM G. SELINE
Executive Director

FOR TRANSMITTAL TO COUNCIL:



for WALTER J. SLIPE
City Manager

Contact Person: Beverly Czoberek

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

<u>HOUSING PROJECTS</u> Audit year January 1 - December 31.	<u>1979 Cost</u>
Ping Yuen Center 72 apts. DHUD Section 8	\$ 1,000
Kennedy Estates 100 apts. DHUD Section 8	1,200
8 Scattered Units DHUD Section 8	750
10 Wildflower Units CHFA ^{1/}	750 (est)
Broadway/San Jose 24 units CHFA ^{1/}	750 (est)
Golden Era Handicrafts Boutique	750
<u>REDEVELOPMENT PROJECTS</u> Audit year July 1 - June 30.	
Tax Increment Funds, 7 projects	2,500
Parking Facility Fund	900
Emergency Reserve Fund	800
Revolving Fund	included in above
Replacement Housing Fund	550
Del Paso Heights Library Fund	250
<u>OTHER</u> Audit year July 1 - June 30.	
City Local Tax Fund	300
County Local Tax Fund	<u>300</u>
	\$10,800

^{1/} California Housing and Finance Agency

RESOLUTION NO.

2884

Adopted by the Redevelopment Agency of the City of Sacramento

January 15, 1980


APPROVING THE "REQUEST FOR PROPOSAL"
TO SELECT AN EXTERNAL AUDIT FIRM

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

1. That the attached (and incorporated herein by reference) external audit firm "Request for Proposal" document is hereby approved and
2. That a three (3) person selection panel be formed consisting of one City Manager appointee, one City Council appointee, and one public member. That said selection panel will interview finalists and make recommendations to the Redevelopment Agency of the City of Sacramento in accordance with the "Request for Proposal" time considerations and criteria for selection and award of contract of audit firm.

CHAIRMAN

ATTEST:


SECRETARY

RESOLUTION NO. 1768

Adopted by the Housing Authority of the City of Sacramento

January 15, 1980


APPROVING THE "REQUEST FOR PROPOSAL"
TO SELECT AN EXTERNAL AUDIT FIRM

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

1. That the attached (and incorporated herein by reference) external audit firm "Request for Proposal" document is hereby approved and
2. That a three (3) person selection panel be formed consisting of one City Manager appointee, one City Council appointee, and one public member. That said selection panel will interview finalists and make recommendations to the Redevelopment Agency of the City of Sacramento in accordance with the "Request for Proposal" time considerations and criteria for selection and award of contract of audit firm.

CHAIRMAN

ATTEST:


SECRETARY



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

REQUEST FOR PROPOSAL

ADDRESSEE

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
PATRICK B. DONOVAN
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SANDRA R. SMOLEY
FRED G. WADE

EXECUTIVE DIRECTOR

WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

The Sacramento Housing and Redevelopment Agency is writing to your organization and others inviting proposals for comprehensive external audit services for the fiscal years ending June 30, 1980 and December 31, 1980. Previously, the firm of Essary, Dal Porto and Lowe, Certified Public Accountants, has performed the Agency's external audit services. However, the Sacramento City Council has adopted a five-year rotational policy for such services and the Agency is following the same policy. As a result, the Agency will be selecting a new external audit firm to perform the financial audit for the 1979-80 fiscal year and subsequent years. The enclosed "Request for Proposal" outlines the written information requested by the Agency in order to properly evaluate your firm's qualifications to serve the Agency.

Finally, please be advised that a qualifications appraisal panel will be selecting a few of the most qualified firms, based on written responses received, to be interviewed as finalists for consideration.

Very truly yours,

WILLIAM G. SELINE
Executive Director

Enclosure: Request for Proposal



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

REQUEST FOR PROPOSAL EXTERNAL AUDIT SERVICES

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
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ANNE RUDIN
DANIEL E. THOMPSON

General Proposal Information

You are invited to submit a proposal for furnishing financial audit services to the Sacramento Housing and Redevelopment Agency. Four copies of all proposals shall be submitted by noon Thursday, February 14, 1980, to:

Lorraine Magana, City Clerk
915 I Street, Room 203
Sacramento, California 95814

COUNTY GOVERNING BOARD

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A joint pre-proposal conference will be held by the City and the Agency in the Finance Department Conference Room, Room 112 of the City Hall on the date specified by the City. All recipients of this Request for Proposal are invited to attend for the purpose of presenting questions and obtaining any additional required information. Copies of previous audit reports will be available for review at that time. Information requests concerning this pre-proposal conference as regards the Sacramento Housing and Redevelopment Agency may be directed to Beverly Czoberek, Assistant Director, at 444-9210.

Nature of Services Required

The Sacramento Housing and Redevelopment Agency requires financial statement audits (with separate audit opinions) for various projects or funds of three (3) separate legal entities as follows:

1. The Housing Authority of the City of Sacramento, 6 projects or funds
2. The Housing Authority of the County of Sacramento, 1 fund
3. The Redevelopment Agency of the City of Sacramento, 12 projects or funds.

REQUEST FOR PROPOSAL
EXTERNAL AUDIT SERVICES
Page Two

These three (3) separate legal entities are briefly described in Exhibit I attached to this proposal. At present, no compliance audits are required. If such become a future requirement, payment will be separately negotiated.

Description of Entity

The Sacramento Housing and Redevelopment Agency (SHRA) administers the operations of the Housing Authority of the City of Sacramento, Housing Authority of the County of Sacramento, and the Redevelopment Agency of the City of Sacramento. The SHRA itself is not a legal entity. The City Council of the City of Sacramento acts as the governing body of the Housing Authority of the City of Sacramento and Redevelopment Agency of the City of Sacramento. The County Board of Supervisors acts as the governing body of the Housing Authority of the County of Sacramento. A nine-member advisory commission is appointed jointly by both governing bodies to assist them. Financial records are kept at 630 I Street by the 17-member Finance Department of the SHRA. The City of Sacramento Data Processing Department handles the computerized systems of the SHRA. However, much of the record-keeping is performed manually. It is expected that the City Treasurer's office will begin managing the SHRA's investments in early 1980, utilizing its "Moneymax" outside computer service. Until then, the investment function will remain with SHRA staff. There is no formal internal audit staff.

Assistance Available to Proposer

Previous audits have been performed by Essary, Dal Porto, and Lowe, Sacramento. Audit Workpapers are on file and available for review at their office at 555 Capitol Mall, Sacramento, CA 95814.

All audit opinions have been unqualified in past years.

The SHRA Finance Department personnel are available within reason to the external auditors for purposes of preparing schedules, reproducing documents, pulling documents, etc.

Adequate office space and facilities are provided to the external auditor in or adjacent to the SHRA Finance Department at 630 I Street. Typing support for confirmation letters, representation letters, etc. is provided by the Finance Department.

REQUEST FOR PROPOSAL
EXTERNAL AUDIT SERVICES
Page Three

Report Requirements

Audit opinions should be addressed to the Housing Authority of the City of Sacramento and Redevelopment Agency of the City of Sacramento, Attention Mayor's Office, City Hall, Sacramento, CA, with copies to the Executive Director of the SHRA. Representatives of the audit firm may or may not be requested to appear before a committee of the City Council to answer questions. Financial statement audits will be comprehensive, full-scope audits in accordance with generally accepted auditing standards.

The Agency expects to receive a "Management Letter" for each of the project/fund audits performed within a reasonable period of time after the financial audit is completed.

Time Considerations

See "Request for Proposal," City of Sacramento, with following exceptions:
The Auditor prepares the financial reports with the assistance of SHRA staff.

Contractual Arrangements

Exhibit II attached is the Agency's draft audit contract. While this document is subject to negotiation once the final firm is selected, individual proposals should indicate whether or not the external audit firm would be willing to sign this draft contract as it is currently written. If not, please indicate those specific areas or sections that your firm would like to negotiate change and what those changes would be. The contract is a one-year contract with Agency option to renew for four subsequent years. Subsequent year fee increases shall correspond to those negotiated by the City of Sacramento and cannot exceed the base year (1979-80) fee adjusted for cost-of-living increases as measured by the San Francisco Bay Area Consumer Price Index.

Report Opinion and Management Letter Review

It is expected that the audit firm will review drafts of financial statements, audit opinions, compliance report findings, if any, and Management Letters with designated staff prior to issuance of the final reports.

Information to be Requested from the Proposer

(Where appropos, reference may be made to RFP filed with the City of Sacramento. Such information need not be repeated here.)

A) Title Page

Show the Request for Proposal subject, the name of the proposer's firm, local address, telephone number, name of the contact person, and the date.

B) Table of Contents

Include a clear identification of the material by section and by page number.

C) Letter of Transmittal

Limit to one or two pages.

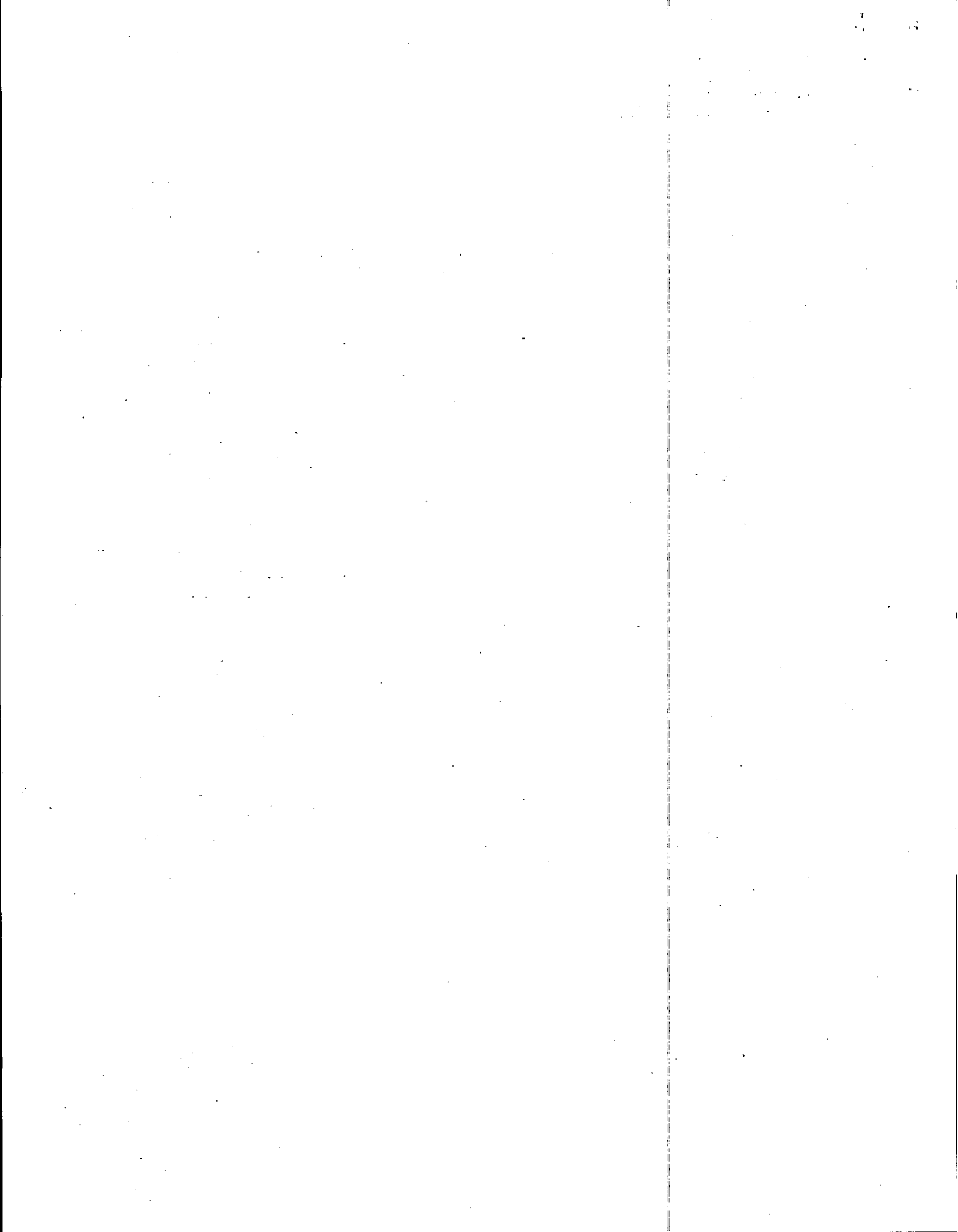
1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
2. State the all-inclusive fee for which the work will be done.
3. Give the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.

D) Profile of the Proposer

1. State whether the firm is local, national, or international.
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.
4. Describe the local office's computer capability, including the numbers and classifications of personnel skilled in computer sciences who will work on the audit.
5. Give the physical location of firm partner "in charge" of Sacramento audit.

E) Summary of the Proposer's Qualifications

1. Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included as an appendix.)



REQUEST FOR PROPOSAL
EXTERNAL AUDIT SERVICES
Page Five

2. Describe recent local and regional office auditing experience similar to the type of audit requested and give the names and telephone numbers and telephone numbers of client officials responsible for three of the audits listed.

F) Scope Section

Clearly describe the proposer's understanding of the scope of the services provided.

G) Schedule

Briefly outline the proposer's planned work schedule and sequence of events assuming the time considerations previously outlined in this Request for Proposal.

H) Compensation

Estimate the total hours, the estimated out-of-pocket costs, and the all-inclusive maximum fee. Break the maximum fee down into the component amounts allocated to the separate projects/funds to be audited.

I) Additional Data

Since data not specifically requested must not be included in the foregoing proposal sections, give any additional information considered essential to the proposal in this section. (Example: Publications of the proposer, such as directories, articles, and lists of clients). If there is no additional information to present, state in this section, "There is no additional information we wish to present."

CRITERIA FOR SELECTION AND AWARD OF CONTRACT OF AUDIT FIRM

The external audit firm will be selected based on the following general categories:

- 1) Quality of "Request for Proposal" response
- 2) Professional qualifications and experience, both individual and firm, in auditing housing and/or redevelopment agencies in California.
- 3) Audit firm's demonstrated understanding of the Agency's audit requirements

- 4) Firm commitment to locally servicing the Agency audits
- 5) Price

AFFIRMATIVE ACTION

The Agency shall follow the provisions of Federal Executive Order 11246 relating to Equal Employment Opportunity. It is also the policy of the Agency that no firm shall be hired if the Agency determines that the hiring or business practices of such firm violate the provisions of said Executive Order 11246.

RIGHT OF REFUSAL

The Agency retains the right to reject any and all proposals without cause.

EXHIBIT I

The Housing Authority of the City of Sacramento has been in existence since July 27, 1939. It is organized under Section 34241 of the Health and Safety Code of the State of California. The Authority operates five housing projects and a senior-handicrafters' boutique in Old Sacramento.

It also operates a number of federally-funded projects which are not included in this Request for Proposals.

The first audit period under this RFP is for the calendar year 1980. This Housing Authority also has a small "City Local Tax Fund" to be audited for the period July 1, 1979 - June 30, 1980.

The Housing Authority of the County of Sacramento has also been in existence for a similar period and is organized under the same state code section. Nearly all of its projects are federally-funded and are not included in this RFP. The sole included fund, the "County Local Tax Fund", has little activity. The first audit period under this RFP is the period July 1, 1979 - June 30, 1980.

The Redevelopment Agency of the City of Sacramento was organized on January 3, 1951, pursuant to authority in the California Health and Safety Code, Sections 33000-33673. It operates seven "tax-increment" redevelopment projects and has federal financing for two of these. The federally-funded aspects of these two projects are not included in this RFP. In addition, the Agency has five non-project funds to be audited. The first audit period under this RFP is July 1, 1979 - June 30, 1980.

Please see attached list for further information.

ATTACHMENT TO EXHIBIT I

HOUSING PROJECTS, year ending 12/31/80 et seq.

Ping Yuen Center 72 apts. DHUD

Kennedy Estates 100 apts. DHUD

8 Scattered single-family units DHUD

10 Wildflower single-family units CHFA^{1/}

Broadway/San Jose 24 Units CHFA^{1/}

Golden Era Handicrafts Boutique - gross sales approximately \$100,000+
annually

REDEVELOPMENT PROJECTS, year ending 6/30/80 et seq.

Tax Increment Funds, 7 projects - moderate to low activity level

Parking Facility Fund - moderate to low activity level

Emergency Reserve Fund - moderate to low activity level

Revolving Fund - moderate activity level

Replacement Housing Fund - low activity level

Del Paso Heights Library Fund - very low activity level

OTHER, year ending 6/30/80 et seq.

City Local Tax Fund - low activity level

County Local Tax Fund - low activity level

1/ California Housing and Finance Agency

AUDITING SERVICES AGREEMENT

THIS AGREEMENT is made at Sacramento California, as of _____ by and between the Redevelopment Agency of the City of Sacramento and the Housing Authority of the City of Sacramento, both being public corporations ("Agency") and _____ ("Auditor").

1. Services. Subject to the terms and conditions set forth in this Agreement, Auditor shall provide to Agency the service of examining the accounts of the Agency for the fiscal year July 1, 1979, to June 30, 1980 and for the calendar year 1980, as appropriate; such service shall include, but is not limited to, performance of the following duties:

(a) Auditor shall examine and submit audit report of the projects or funds set forth below:

HOUSING PROJECTS, year ending 12/31/80 et seq.

Ping Yuen Center 72 apts. DHUD requirements

Kennedy Estates 100 apts. DHUD requirements

8 Scattered single-family units DHUD requirements

10 Wildflower single-family units CHFA^{1/}

Broadway/San Jose 24 Units CHFA^{1/}

Golden Era Handicrafts Boutique - gross sales approximately \$100,000+ annually

REDEVELOPMENT PROJECTS, year ending 6/30/80 et seq.

Tax Increment Funds, 7 projects

Parking Facility Fund

Emergency Reserve Fund

Revolving Fund

Replacement Housing Fund

Del Paso Heights Library Fund

OTHER, year ending 6/30/80 et seq.

City Local Tax Fund

County Local Tax Fund

(b) From time to time an Agency grantor may choose to perform an audit. For this reason, the Agency reserves the right to delete any project/fund at any time and to pay auditor for work performed to that date.

(c) The purpose of the engagement with Auditor is to prepare financial statements from the Agency's financial records for the fiscal year ended June 30,

^{1/} California Housing and Finance Agency

1980, and calendar year ended December 31, 1980, and to evaluate the fairness of presentation of the records in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

The examination will be conducted in accordance with generally accepted auditing standards which will include a review of the system of internal control and tests of transactions to the extent believed necessary. Accordingly, it will not include a detailed audit of transactions to the extent which would be required if intended to disclose defalcations or other irregularities, although their discovery may result.

It is recognized that Agency has the responsibility for the proper recording of transactions in the books of account and for the safeguarding of assets. Such statements are the representations of Agency.

The objective of the examination is the expression of an opinion on the Agency's financial operations and the ability of the Auditor to express that opinion, and the wording of the opinion will of course be dependent on the facts and circumstances at the date of that opinion. If the opinion will be other than unqualified, the reasons therefor will be fully disclosed.

(d) Auditor shall submit a report of its comments and recommendations concerning Agency's accounting system based upon observations made during the course of Auditor's examination of Agency's financial statements, records, and internal procedures for the fiscal year ending June 30, 1980, or December 31, 1980, as applicable.

Auditor shall prepare and deliver to Agency ten (10) copies of each report within a reasonable time after any examination is completed; provided, however, that no report shall be delivered to Agency later than October 27, 1980 for reports for period ending June 30, 1980 and April 27, 1981 for reports for period ending December 31, 1980.

(2) Payment. Agency shall pay Auditor for services rendered pursuant to this agreement a total sum of up to \$ for the base year June 30, 1980 and December 31, 1980 audits. Should Agency in subsequent year(s) opt to extend the agreement in accordance with Section 4 of this agreement, Auditor may increase total fee by no more than the cost-of-living increase as measured by the San Francisco Bay Area Consumer Price Index (all urban consumers). Payment of the total sum shall be made after performance of the work of Auditor and only after all services required under this agreement have been satisfactorily performed.

The payment of the total sum specified shall be the only payment to be made by Agency for services rendered.

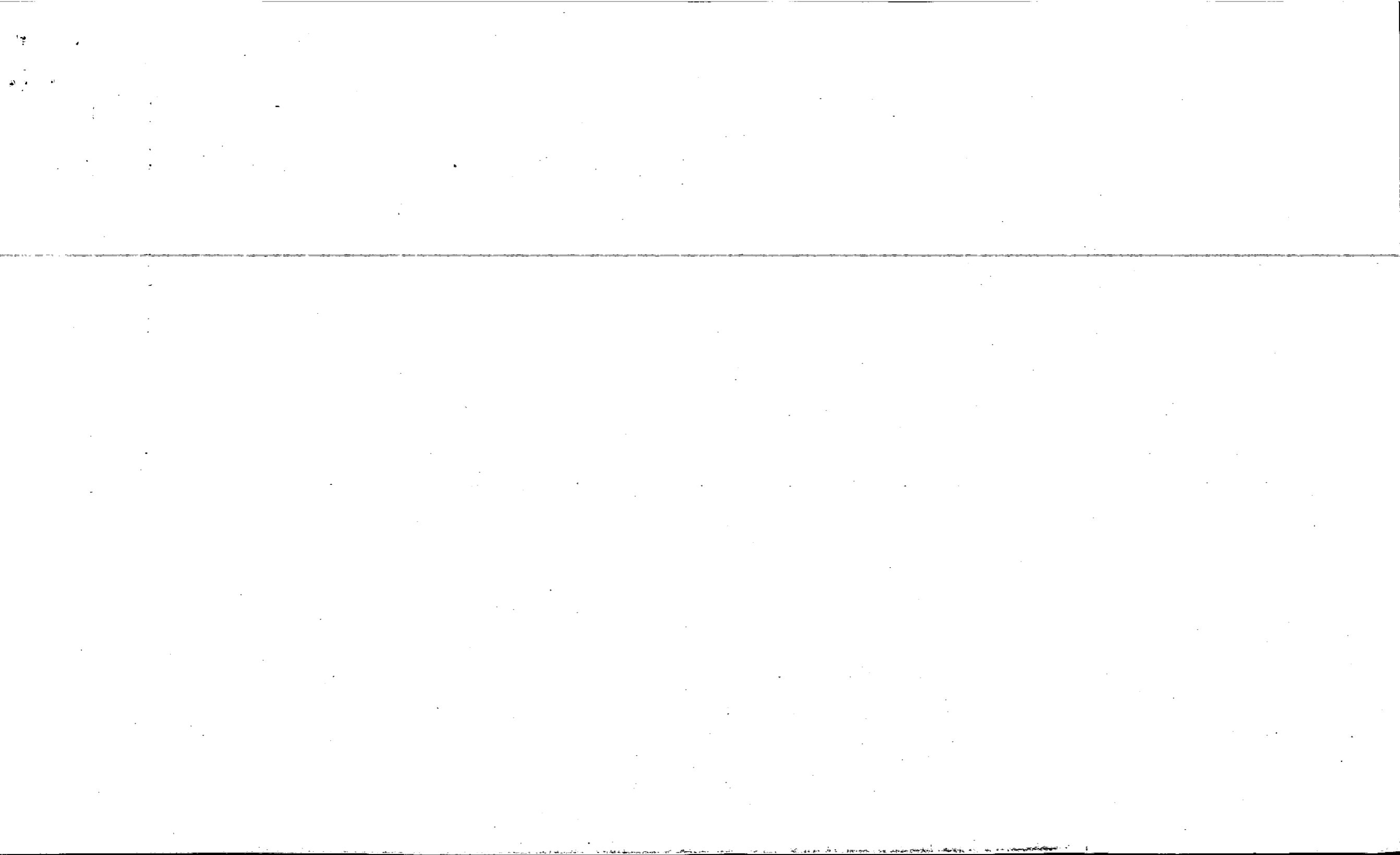
Agency shall make no payment for any extra, further, or additional service pursuant to this agreement unless such extra service and the price therefor is agreed to in writing executed by the Executive Director prior to the time such extra service is rendered.

3. Facilities and Equipment. Except as provided below, Auditor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. Agency shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Auditor's use while consulting with Agency employees and reviewing records and information in possession of Agency. The location, quantity and quality and time of furnishing said physical facilities shall be in the sole discretion of Agency. In no event shall Agency be obligated to furnish any facility which may involve incurring any direct expense, including, but not limiting the generality of this exclusion to, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

4. Agency's Right to Renew Agreement. Agency shall have the right to renew this agreement, under the same terms and conditions for each of four (4) subsequent separate one-year periods ending December 31, 1984, giving written notice to Auditor not later than January 31st of each year.

5. Policy. It is the Agency's policy to change external auditors at least every five years. Accordingly, it is anticipated that the agreement will not be renewed after the December 31, 1984, audit completion. The Agency would, however, consider _____ as an eligible firm after one intervening firm change.

6. General Provisions. The general provisions are set forth in Exhibit A, which is attached hereto and by this reference incorporated herein. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control insofar as it is inconsistent with the general provisions.



Executed as of the day first above stated.

Redevelopment Agency of the City of Sacramento
Housing Authority of the City of Sacramento

Executive Director

APPROVED AS TO FORM:

Chief Counsel

APPROVED:

Finance Department

Funding Source

GENERAL PROVISIONS

1. Independent Contractor. At all times during the term of this Agreement, Auditor shall be an independent contractor and shall not be an employee of Agency. Agency shall have the right to control Auditor only insofar as the results of Auditor's services rendered pursuant to this Agreement; however, Agency shall not have the right to control the means by which Auditor accomplishes services rendered pursuant to this Agreement.

2. Licenses; Permits; Etc. Auditor represents and warrants to Agency that he has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Auditor to practice his profession. Auditor represents and warrants to Agency that Auditor shall, at his sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Auditor to practice his profession.

3. Time. Auditor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Auditor's obligations pursuant to this Agreement.

4. Insurance.

(a) Public Liability. During the term of this Agreement, Auditor shall maintain in full force and effect a policy of public liability insurance with minimum coverages as follows: \$100,000.00 for injury to one person in any one occurrence; \$300,000.00 for injury to more than one person in any one occurrence; and \$50,000.00 for property damage. If City so requests, Auditor shall cause Agency to be named as an additional assured on said policy and shall obtain a waiver of the insurer's right of subrogation against Agency.

(b) Workman's Compensation. During the term of this Agreement, Auditor shall fully comply with the terms of the law of California concerning workman's compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability Auditor may have for workman's compensation.

(c) Errors and Omissions. During the term of this Agreement, Auditor shall maintain in full force and effect a policy of errors and omissions insurance, Auditor shall take out and keep in full force and effect during the term of this Agreement a policy in form and content satisfactory to City which shall indemnify City Against errors and omissions by Auditor. Said policy or policies shall provide liability coverage in an amount specified by Agency in its request.

5. Auditor Not Agent. Except as Agency may specify in writing, Auditor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Auditor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

6. Assignment Prohibited. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

7. Personnel. Auditor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Auditor to perform services pursuant to this Agreement, Auditor shall remove any such person immediately upon receiving notice from Agency of the desire of Agency for the removal of such person or persons.

8. Standard of Performance. Auditor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Auditor is engaged. All products of whatsoever nature which Auditor delivers to Agency pursuant to this Agreement shall be prepared in a substantial, first class and workmanlike manner and conform to the standards of quality normally observed by a person practicing in Auditor's profession.