

SHORT FORM PURCHASE OF SERVICE CONTRACT

The parties to this Short Form Purchase of Goods and/or Services Contract (Contract) do mutually agree and promise as follows:

1. Parties:

The parties to this Contract are the:

CITY OF DESERT HOT SPRINGS

CALIFORNIA, a municipal corporation (City) and the following named Contractor:

The Pun Group LLP

Name

200 E. Sandpointe Avenue, Suite 600

Address

Santa Ana

CA

92707

City

State

Zip

(949) 777-8801

Ken.Pun@pungroup.com

Phone

Email

4016990

BL 3020 Exp. 05/13/2017

Taxpayer ID No.

City Business License No.

2. Term:

The effective date of this contract is:

2/7/17 and it terminates 10/31/2017

unless sooner terminated as provided herein.

3. Payment Limit:

City's total payments to Contractor under this contract shall not exceed \$ 10,200.00

4. Contractor's Obligations:

(a) To the satisfaction of the City's Project Manager, Contractor shall provide the following goods and/or services:

Preparation of Desert Hot Springs Health & Wellness Foundation Financial Statements for the fiscal year ending June 30, 2017 and the state and federal tax returns completed with time prescribed.

(b) Contractor shall perform the above-referenced services or delivery the required goods at or to the following specified location/s:

Field audit work will be performed at 65950 Pierson Boulevard in Desert Hot Springs; balance of the work will be completed at Pun Group offices.

5. City's Obligations:

The City shall pay Contractor as follows:

Up to a maximum of \$ 10,200.00

6. Supplemental Conditions:

This Contract is subject to the Supplemental Conditions attached hereto, which are incorporated herein by reference.

7. Signatures:

These signatures attest the parties' agreement hereto:

CONTRACTOR:

Signature

Date

Ken Pun, Managing Partner

Name / Title

Choose One:

CALIFORNIA, a municipal corporation:

By:

City Manager

Date

By:

Project Manager

Date

By:

Department Head

Date

Approved as to content/Insurance:

By:

Administrative Services Director

Date

SUPPLEMENTAL CONDITIONS

1. Independent Contractor. It is expressly agreed that Contractor is to perform or deliver the goods and/or services described herein as an independent contractor pursuant to California Labor Code Section 3353, under the control of the City as to the result of his work only but not as to the means by which such result is accomplished. Nothing contained herein shall in any way be construed to make Contractor or any of its agents or employees, an agent, employee or representative of the Agency. Contractor shall be entirely responsible for the compensation of any assistants, employees, and subcontractors used by Contractor in providing said goods and/or services.
2. Termination. This Contract shall automatically terminate when the total accumulated compensation paid or due to Contractor under this Contract reaches \$ 10,200.00 . The City shall not be responsible for compensating Contractor for any amounts in excess of \$ 10,200.00 .
3. Cancellation. Either the Agency or Contractor may cancel this Contract at any time upon giving the other party five (5) calendar days' written notice of such cancellation. In the event of cancellation, the City shall be liable only to pay to the Contractor compensation for services rendered up to the date of the Contract's cancellation. Under no circumstances shall Agency be responsible for payment of lost profits, or damages beyond the total amount of compensation set in this Contract.
4. Assignment. Contractor shall not assign this Contract, or any part thereof, or any right of the Contractor hereunder without the prior written consent of the City.
5. Indemnification. To the furthest extent allowed by law, Contractor shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Contract. Contractor's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees, agents or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or any of its officers, officials, employees, agents or volunteers.

If Contractor should subcontract all or any portion of the work to be performed under this Contract, Contractor shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Contract.

6. Anti-Discrimination. Contractor agrees to observe the provisions of the City's Anti-Discrimination Policy and Title VII of the Civil Rights Act of 1964, obligating every contractor or subcontractor under a contract or subcontract to the City of Desert Hot Springs for public works or for goods and/or services to refrain from discriminatory employment practices on the basis of the race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee of, or applicant for employment with, such contractor or subcontractor.
7. Legal Responsibilities. The Contractor shall keep itself informed of State, and Federal laws and regulations and local Municipal codes which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Contractor shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Contractor to comply with this section.
8. Insurance. Contractor shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by the City Manager or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:
 - i. COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CG 00 01 and shall include insurance for "bodily injury", "property damage" and "personal and advertising injury", including premises and operation, products and completed operations and contractual liability with limits of liability of not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury and \$4,000,000 aggregate for products and completed operations.
 - ii. COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability or not less than \$1,000,000 per accident for bodily and property damage.
 - iii. WORKERS' COMPENSATION insurance as required under the California Labor Code.
 - iv. EMPLOYERS' LIABILITY insurance with minimum limits of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit.

In the event Contractor purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Contractor shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Vendor shall also be responsible for payment of any self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Contractor shall furnish City with a new certificate and applicable endorsements for such policy(ies). **In the event any policy(ies) are due to expire during this Contract, Contractor shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).**

9. Payment of Prevailing Wages. City hereby notifies Contractor that pursuant to California Labor Code Section 1720 et seq., Contractor may be legally obligated to pay prevailing wages for the services called for in this Contract whether City requires the payment of prevailing wages or not.

BUSINESS LICENSE

CITY OF DESERT HOT SPRINGS

TAX COLLECTOR'S OFFICE, City of Desert Hot Springs. The person, firm or corporation named below, and whose residence or place of business is located as there shown, having this day paid to the Tax Collector the sum specified, is hereby licensed to engage in the business, profession or occupation named, in the City of Desert Hot Springs, for the term ending on the date which appears stated on this license. This license is issued pursuant and subject to all the Laws and Ordinances regulating license fees adopted by the City Council and applicable to the conduct of such business, profession or occupation in the City of Desert Hot Springs. The person, firm or corporation below named is hereby granted license pursuant to the provisions of the Desert Hot Springs Business License Ordinance and all other Ordinances of the City of Desert Hot Springs to engage in, carry on or conduct in the City of Desert Hot Springs, the business, trade calling, profession or exhibition, described as follows. This license is issued without verification that the licensee is subject to or exempt from licensing by the State of California. The law requires a sworn statement of business transacted.

BUSINESS NAME: THE PUN GROUP, LLP
BUSINESS LOCATION: 200 EAST SANDPOINTE AVE. STE. 600
SANTA ANA, CA 92707
BUSINESS OWNER: KENNETH H PUN

DESCRIPTION: Accountant/CPA/Tax Prep
UNITS:
EMPLOYEES:

THE PUN GROUP, LLP
200 EAST SANDPOINTE AVE. STE. 600
SANTA ANA, CA 92707

Business License Number: 3020
Effective Date: 5/14/2016
Expiration Date: 5/13/2017

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. The Pun Group, LLP	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification. Check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) P Note: For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)	
	5 Address (number, street, and apt. or suite no.) 200 E. Sandpointe, Suite 600	Requester's name and address (optional)
	6 City, state, and ZIP code Santa Ana, CA 92707	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-					
or								
Employer identification number								
4	6	-	4	0	1	6	9	0

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶ 	Date ▶ 1/5/16
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments: Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/irb.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Linda Kelly

From: Frances Kuo [Frances.kuo@pungroup.com]
Sent: Thursday, January 05, 2017 5:47 PM
To: Linda Kelly
Cc: Kenneth Pun
Subject: DHS Pricing

Linda,

Please see below for the audit fees for the three years ending June 30, 2019. Please let me know if you have any questions.

City Audit, including Housing, Successor Agency, and CAFR preparation	\$ 44,722	\$ 45,616	\$ 46,528
Single Audit (if required) per major program	3,570	3,641	3,714
GANN limit verifications	-	-	-
Annual State Controller's Report	2,708	2,762	2,817
Transient Occupancy Tax Agreed Upon Procedures (up to 4 hotels)	12,240	12,485	12,735
Utility User Tax (1)	2,040	2,081	2,123
* Health and Wellness Foundation Audit and Tax Forms	* 10,200	10,404	10,612
Total (not to exceed)	\$ 75,480	\$ 76,989	\$ 78,529

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↓ ONLY

Best regards,

Frances



Frances Kuo, CPA, CGMA

Director

The Pun Group LLP

200 E. Sandpointe Ave., Suite 600

Santa Ana, CA 92707

P:949.777.8805

F:949.777.8850

Frances.kuo@pungroup.com

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IRS CIRCULAR 230 DISCLOSURE NOTICE:

To ensure compliance with new requirements of the Internal Revenue Service, we inform you that, to the extent any advice relating to a Federal tax issue is contained in this communication, including in any attachments, it was not written or intended to be used, and cannot be used, for the purpose of (a) avoiding any tax related penalties that may be imposed on you or any other person under the Internal Revenue Code, or (b) promoting, marketing or recommending to another person any transaction or matter addressed in this communication.