

CITY OF VERNON

REQUEST FOR PROPOSALS

INFRASTRUCTURE VALUATION IN ACCORDANCE WITH GASB 34 AND 51

ADDENDUM #1

June 20, 2016

This addendum is forwarded to provide a response to written questions for RFP – Infrastructure Valuation in Accordance with GASB 34 and 51. Please email William Fox at wfox@ci.vernon.ca.us if you have any questions regarding this Addendum.

Question 1:

Which type of intangible assets does the City possess?

- Internally created software
- Water rights
- Patents or trademarks
- Easements

Vernon Response

Internally created software: Bidder will not be valuing our internally generated software.

Water rights: Bidder will not be valuing our water rights.

Patents or trademarks: Bidder will not be valuing our patents or trademarks.

Easements: Bidder will be valuing our easement rights including right-of-ways.

Question 2:

Are the City Council meeting minutes searchable? If so, how far back does your City keep records of those minutes? How far back are those records searchable electronically?

Vernon Response

City Council meeting minutes are electronically searchable back to 1915.

Question 3:

Have your auditors been doing the search of City Council Minutes annually? If so, then are the existing fixed asset records up-to-date?

Vernon Response

External independent auditors conduct searches through City Council Minutes annually. City's fixed asset records are up-to-date for GAAP financial reporting purposes but intangible assets, such as right-of-ways, may not be reflected on its books.

Question 4:

Is there any IT infrastructure such as fiber optic cables, antennae, satellite dishes, cell towers? Would you like these assets classes to be included in the project?

Vernon Response

Bidder will not be valuing our IT infrastructure.

Question 5:

Please provide a copy of your City's fixed asset policy. What is the capitalization threshold for individual asset? For assets purchased in bulk, if any?

Vernon Response

The City does not have a formal fixed asset policy, but in general, the City follows GFOA's recommendation capitalization threshold of \$5,000.

Question 6:

How many years back does the City's maintenance of financial records go? Invoices? Finance software data? Executed contracts? Which financial software does the City use? Will I have access to search financial records within the software?

Vernon Response

Audited annual financial reports are available back to 1977. For invoices, the City is uncertain as to how far back they go without going through its storage(s) but some invoices are available back to 1999. City's financial software data goes back to 2007. City's executed contracts goes back to 1905. City uses Eden by Tyler Technologies as its ERP system. Bidder will be given full access to all financial records and data available.

Question 7:

Does the City maintain all original contracts? Are they electronically searchable? How far back will the search-ability go? What about for Council resolutions?

Vernon Response

City maintains its official documents in Laserfiche. They are electronically searchable back to 1915 including Council resolutions. Hard copies are available from 1905 to 1915.

Question 8:

Have you already included within your Land Fixed Asset Line item, the land underneath public roads? When doing the public street valuation, I am also able to determine the historical cost of land underneath if needed.

Vernon Response

We are not sure as the City historically lacked a detailed capital asset listing. However, the City recently implemented a GIS system in which all known infrastructure assets were mapped. We are not sure if the historical cost of land underneath public roads can be determined as the City historically lacked a detailed capital asset listing.

Question 9:

Is the rail network owned by the City? If so, then would you need that to be included in the project? What about rail yards... are those owned by the City, and would those need to be included in the project?

Vernon Response

The rail network is not owned by the City. However, the California High Speed Rail is expected to go through Vernon. Any easement or right-of-way associated with the rail network should be included in the project if determined to be owned by the City.

Question 10:

Does Vernon own the portion of the freeway which passes through the City?

Vernon Response

Not that the City is aware of.

Question 11:

Will parking meters need to be included, if any? Or are they already included as equipment?

Vernon Response

The City does not own any parking meters.

Question 12:

Will the power plant need to be included in the project? Has it been constructed yet? I read about this in the City's general plan.

Vernon Response

No.

Question 13:

Will the gas lines need to be included in the project?

Vernon Response

No.

Question 14:

Will I have continuous access to obtain information from the public works department when needed during the project period?

Vernon Response

Yes.

Question 15:

Will I have continuous access to obtain information from IT staff? This would be for estimating the historical cost of internally created software, or any other IT infrastructure.

Vernon Response

Yes. However, bidder will not be valuing internally created software or any other IT infrastructure.

Question 16:

What is the City's capitalization threshold?

Vernon Response

The City does not have a formal capitalization threshold, but in general, the City follows GFOA's recommendation capitalization threshold of \$5,000.

Question 17:

Does the City have a current policy on estimated useful lives for each infrastructure line item, or would you like me to propose one?

Vernon Response

Please propose one based on recommended best practices.

Question 18:

For street signs, does each individual one meet the capitalization threshold? Is this some research that you would like me to include as part of the project?

Vernon Response

The City is not sure if each individual street sign meet the capitalization threshold. Please discuss with our Public Works Department and estimate an average if the detail records are not available.

Question 19:

For storm drain lines, and for catch basins, the County website says they own most of the lines and catch basins. Will the City confirm this and confirm that these lines do not need to be part of the project?

Vernon Response

The City will confirm which storm drain lines and catch basins are owned by the County or the City.

Question 20:

For traffic signals, these should have been recorded each year with the annual CAFR preparation, were they not?

Vernon Response

City's fixed asset records are up-to-date for GAAP financial reporting purposes in terms of dollar values but location information are not.

Question 21:

For trees, does the cost of each individual tree meet the capitalization threshold? Are they already being capitalized in a bulk amount?

Vernon Response

The City is not sure if each individual tree meet the capitalization threshold. Please discuss with our Public Works Department and estimate an average if the detail records are not available.