

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

160



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
April 10, 2014

SUBJECT: Approval of Investment Management Services Agreement with BLX Group LLC via the competitive bidding process, with only one responsive/responsible bid received; and Acceptance of the results of the competitive bidding process and award of contract for Financial Services Audit Services to Teaman, Ramirez & Smith, Inc. All Districts. Redevelopment Property Tax Trust Fund [\$112,500], Successor Agency Administrative Cost Allowance [\$134,600].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Investment Management Services Agreement with BLX Group LLC for five years, renewed in one year increments at an annual amount of \$22,500 in accordance with Ordinance 459; and
2. Approve the Financial Audit Services Agreement with Teaman, Ramirez & Smith Inc., for five years renewed in one year increments at an annual amount of \$26,920 in accordance with Ordinance 459 ; and,
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 to sign amendments that do not change the substantive terms of the Agreement, including amendments to the compensation that do not exceed the CPI index, based on the availability of funding.

BACKGROUND:

Summary

(commences on page 2)

[Signature]

Imelda Delos Santos
Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 32,545	\$ 49,420	\$ 247,100	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Redevelopment Agency Property Tax Trust Fund and Successor Agency Administrative Cost Allowance

Budget Adjustment: No
For Fiscal Year: 13-14 → 17-18

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*

County Executive Office Signature Alex Gann

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: *Anita C. Willis* 4-14-14
DATE
ANITA C. WILLIS
Departmental Concurrence

Purchasing: *[Signature]*
Mark Seller, Assistant Director

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: _____ District: ALL Agenda Number: _____

4-1

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Investment Management Services Agreement with BLX Group LLC via the
competitive bidding process, with only one responsive/responsible bid received; and Acceptance
of the results of the competitive bidding process and award of contract for Finan**

DATE: April 10, 2014

PAGE: 2 of 3

BACKGROUND:

Summary

Pursuant to ABx1 26 (the Dissolution bill), all redevelopment agencies in the State of California were dissolved effective February 1, 2012. Successor Agencies are required under the Dissolution bill to undertake the remainder of the actions required for the winding down of redevelopment activity.

Board Policy B-21 requires those departments and special districts whose funds reside in Trust or outside of the Treasurer's Pooled Investment Fund to prepare an annual report on its investment for review of the Investment Oversight Committee and its governing Board. For accounting purposes only, the Successor Agency, which is a separate entity, is treated like a special district. The Investment Management Services will be funded by the Redevelopment Property Tax Trust Fund of the Successor Agency and is included in the Recognized Obligation Payment Schedule (ROPS) of the Successor Agency approved by the Board of Supervisors, the Successor Agency Oversight Board and the Department of Finance.

The Health & Safety Code section 34177(n) requires the successor agency to cause a certified public accountant to conduct a post audit of its financial transactions and records at least once annually. The annual Financial Audit Services will be funded as an administrative expense of the Successor Agency and is part of the administrative cost allowance that is included in the Successor Agency's approved ROPS.

Price Reasonableness

A competitive procurement RFP EOARC-029 was issued by the County of Riverside Purchasing and Fleet Services Department on behalf of the Executive Office. RFP was sent to seven bidders and posted on the Purchasing website. BLX Group LLC is the only one responsive/responsible bid received. The evaluation team reviewed the proposal based on the criteria listed in the RFP including: overall responsiveness and understanding to the RFP requirements, experience and ability, overall cost, references, financials, clarification, exception, deviation and credentials, resumes, licenses, and certifications. The evaluation committee was made up of representatives from the Executive Office and Treasurer. Purchasing performed post bid inquiries on non-responding vendors and found these vendors either lacked the expertise and/or desire to provide the requested services.

Evaluation team recommends an award for the Investment Management Services Agreement with BLX Group LLC

A competitive procurement RFP EOARC-030 was issued by the County of Riverside Purchasing and Fleet Services Department on behalf of the Executive Office. RFP was sent to five bidders and posted on the Purchasing website. The County received three bid responses. The evaluation team reviewed the proposal based on the criteria listed in the RFP including: overall responsiveness and understanding to the RFP requirements, experience and ability, overall cost, references, financials, clarification, exception, deviation and credentials, resumes, licenses, and certifications. The evaluation committee was made up of representatives from the Executive Office and EDA. Cost proposals for these services ranged from \$25,000 to \$40,808. Teaman, Ramirez & Smith, Inc., cost proposal for these services is \$26,920. Teaman, Ramirez & Smith, Inc. received the highest technical score for RFP EOARC-030.

Evaluation team recommends an award on the Financial Audit Services Agreement with Teaman, Ramirez & Smith, Inc.

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Investment Management Services Agreement with BLX Group LLC via the
competitive bidding process, with only one responsive/responsible bid received; and Acceptance
of the results of the competitive bidding process and award of contract for Finan**

DATE: April 10, 2014

PAGE: 3 of 3

Impact on Residents and Businesses

The engagement of professionals to perform the services and prepare the investment and audit reports for the Successor Agency enables transparency and credibility of financial operations for residents, businesses and investors.

ATTACHMENTS:

Investment Management Services Agreement with BLX Group LLC and the Financial Audit Services Agreement with Teaman, Ramirez & Smith, Inc.

**AGREEMENT BY AND BETWEEN THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE AND
TEAMAN, RAMIREZ & SMITH, INC.
FOR FINANCIAL AUDIT SERVICES**

THIS AGREEMENT, is made and entered into this _____ day of _____, 2014, by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, (hereinafter "AGENCY"), and **TEAMAN, RAMIREZ & SMITH, INC.** (hereinafter "CONSULTANT").

RECITALS

WHEREAS, AGENCY is the successor in interest to the Redevelopment Agency for the County of Riverside pursuant to the provisions of Section 34173 of the California Health and Safety Code;

WHEREAS, the Redevelopment Agency for the County of Riverside (Former RDA) was a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); the Former RDA was terminated as of February 1, 2012 pursuant to Section 34172;

WHEREAS, pursuant to Sections 34177-34181 of the Health and Safety Code, the AGENCY is authorized to make and execute contracts and other instruments necessary or convenient in compliance with the Enforceable Obligation Payment Schedule (EOPS) as superseded by the Recognized Obligation Payment Schedule (ROPS) as adopted by the Agency and the Oversight Board;

WHEREAS, the AGENCY has identified the inclination by the State of California to have a financial audit of the AGENCY every fiscal year ending June 30, performed in accordance with U.S. generally accepted auditing standards and audits of State and Local Government Units and the guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office; and

WHEREAS, the CONSULTANT has received the highest overall score during the competitive procurement process conducted by the AGENCY through the County Purchasing department and has the necessary qualifications, training and expertise to provide this services to the AGENCY;

WHEREAS, the provision of an annual audit services is listed on the Recognized Obligation Payment Schedule of the AGENCY 13-14B (ROPS 13-14B), line number 24, for an amount not to exceed forty five thousand dollars (\$45,000) per year;

WHEREAS, the Department of Finance (DOF) and the Oversight Board have approved line number 24 as part of the Agency's 3% Admin Fund;

WHEREAS, the approved administrative budget of the Agency for ROPS 13-14B has a line item for professional audit to cover this expense;

WHEREAS, CONSULTANT has agreed to provide such services to AGENCY.

NOW THEREFORE, based on the mutual promises contained herein, the parties hereto do hereby agree as follows:

1. **SCOPE OF WORK.** CONSULTANT will provide audit services to perform the annual financial audit of the AGENCY books in accordance with U.S. generally accepted auditing standards, pursuant to the scope of work attached hereto as Exhibit "A".

1.1 CONSULTANT represents and maintains that it is skilled in the professional calling necessary to perform all services, duties and obligations required by this Agreement to fully and adequately complete the project. CONSULTANT shall perform the services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONSULTANT further represents that it shall keep all such licenses and approvals in effect during the term of this Agreement.

2. **COMPENSATION AND METHOD OF PAYMENT.** CONSULTANT compensation shall be **Twenty Six Thousand Nine Hundred Twenty Dollars (\$26,920) per year.** CONSULTANT shall submit invoices to AGENCY for progress

payments based on work completed to date. AGENCY shall reimburse CONSULTANT within thirty (30) days of receipt of invoice.

3. **AMENDMENTS TO WORK PROGRAM.** The County's Purchasing Agent, is authorized, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the Agreement, including amendments to the compensation that do not exceed the CPI index, based on the availability of funding. Such changes shall be mutually agreed upon by and between the County Executive Officer, or designee, and CONSULTANT, and shall be incorporated in written amendments to this Agreement.

4. **PERIOD OF PERFORMANCE.** CONSULTANT shall commence and complete performance the annual audit services, described in Scope of Work item 1, above, upon date of execution of this Agreement and agrees that it will diligently and responsibly pursue the performance of the services required of it by this Agreement. CONSULTANT will perform those services through completion unless the scope of work is altered by written amendments pursuant to the provisions in Section 3. All services to be performed herein shall be completed three (3) weeks before the timeframes set by the County Auditor Controller.

5. **COOPERATION BY AGENCY.** All information, data, reports, records, and ledgers as they currently exist, available to AGENCY and necessary for carrying out the work described, shall be furnished to CONSULTANT without charge by AGENCY. AGENCY shall cooperate with CONSULTANT as appropriate to facilitate, without undue delay, the work to be performed under this Agreement.

6. **DESIGNATED REPRESENTATIVES.** The following individuals are hereby designated as representatives of the AGENCY and CONSULTANT respectively to act as liaison between the parties:

AGENCY
Alex Gann
Deputy County Executive Officer

CONSULTANT
Richard Teaman, Partner
Teaman, Ramlrez & Smith Inc

County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501

4201 Brockton Avenue, Suite 100
Riverside, CA 92501

Any change in designated representatives shall be promptly reported to the other party in order to ensure proper coordination.

7. **STANDARDS OF PERFORMANCE.** CONSULTANT shall comply with all applicable laws, ordinances and codes of the federal, state and local governments while performing the services described herein in a good, skillful, and professional manner.

8. **OWNERSHIP OF DOCUMENTS.** Copies of documents, reports and materials prepared under this Agreement shall become the property of AGENCY upon receipt by AGENCY'S designated representative named in Section 6 of this Agreement.

9. **PERSONNEL AND ASSIGNMENT.** CONSULTANT represents that it has all personnel required to perform the services under this Agreement. CONSULTANT'S personnel shall not be employed by, nor have any direct contractual relationship with AGENCY. All services required hereunder shall be performed by CONSULTANT, its employees, or personnel under direct contract with CONSULTANT or subcontractors, it being specifically provided, however, that CONSULTANT shall not assign or subcontract the performance of this Agreement nor any part thereof without the prior, written consent of AGENCY.

10. **NON-DISCRIMINATION REQUIREMENTS.** CONSULTANT shall ensure that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, age, sex, marital status, handicap, national origin, ancestry or any category protected pursuant to the California Fair Employment and Housing Act, in the performance of this Agreement and that CONSULTANT, Contractor, or any person claiming under or through AGENCY shall not establish or permit any such practice or practices of discrimination or segregation.

11. **LEGAL REVIEWS.** AGENCY may, in its sole and exclusive discretion, conduct reviews to determine the legal sufficiency of any and all documents prepared by CONSULTANT, by or through AGENCY Counsel.

12. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that this Agreement has been entered into at Riverside, California, and that any legal action related to the interpretation or performance of the Agreement shall be filed in the Superior Court for the State of California, in Riverside, California.

13. AUTHORITY OF CONSULTANT. CONSULTANT and its agents, servants, employees and subcontractors shall act at all times in an independent capacity during the term of this Agreement, and shall not act as, and shall not be, nor shall they in any manner be construed to be, agents, officers or employees of AGENCY, and further, CONSULTANT, its agents, servants, employees and subcontractors, shall not in any manner incur or have the power to incur any debt, obligation, or liability against AGENCY.

14. TERM AND TERMINATION. The term of this Agreement shall be for one (1) year commencing upon the signing of the Agreement with the option to renew for an additional four (4) years, in one year increments based on mutually acceptable services and cost adjustments, County requirements and availability of funding. There is no obligation by the County of Riverside to purchase any specified amount goods or services under this Agreement. This Agreement may be terminated by AGENCY for any reason (with or without cause) upon giving fourteen (14) days written notice to CONSULTANT. AGENCY may terminate the Agreement immediately when: (1) it is determined by AGENCY that CONSULTANT activities are resulting in or may result in discredit to AGENCY; or (2) CONSULTANT has breached a material provision of this Agreement. In the event of termination, AGENCY may proceed with the work in any manner it deems to be proper and in the best interests of AGENCY.

Either party may terminate this Agreement upon thirty (30) days written notice to the other. In the event of such termination, CONSULTANT shall be compensated for all services performed and expenses incurred to the date of notice of termination as described in a written report to AGENCY prepared by CONSULTANT. Upon

termination, CONSULTANT shall submit to AGENCY all materials and reports (including any uncompleted reports or unfinished work). Such compensation shall be paid within thirty (30) days of termination.

15. NOTICES OF TERMINATION. Notice of termination by AGENCY to CONSULTANT shall be deemed delivered if sent by certified mail, return receipt requested, to: CONSULTANT; Notice by CONSULTANT to AGENCY shall be deemed delivered if sent by certified mail, return receipt requested, to AGENCY:

16. CONFLICT OF INTEREST. CONSULTANT represents and agrees that CONSULTANT has not employed any person to solicit or procure this Agreement, and has not made, and will not make, any payment or any agreement for the payment of any commission, percentage, brokerage, contingent fees, or other compensation in connection with the procurement of this Agreement.

17. INDEPENDENT CONSULTANT. It is understood and agreed that CONSULTANT is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONSULTANT shall not be entitled to any benefits payable to employees of AGENCY including County Workers' Compensation Benefits. It is further understood and agreed by the parties hereto that CONSULTANT in the performance of its obligation hereunder is subject to the control or direction of AGENCY merely as to the result to be accomplished by the services hereunder agreed to be rendered and performed and not as to the means and methods of accomplishing the results. CONSULTANT, its employees and agents shall maintain professional licenses required by the laws of the State of California at all times while performing services under the Agreement.

18. INSURANCE. Without limiting or diminishing CONSULTANT's obligation to indemnify and hold the County harmless, CONSULTANT shall procure and maintain, or cause to be maintained at its sole cost and expense, the following insurance coverage during the term of this Agreement:

a. **Workers' Compensation:** If CONSULTANT has employees as defined by the State of California, CONSULTANT shall maintain Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the County and, if applicable, provide a Borrowed Servant/Alternate Employer Endorsement.

b. **Commercial General Liability:** Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products/completed operations if applicable, personal and advertising injury covering claims that arise from or out of CONSULTANT's operations, use and management of the premises, or the performance of its obligations hereunder. Policy shall name, by Policy Endorsement, the County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents or representatives as Additional Insured. Policy limits shall not be less than \$2,000,000 per occurrence combined single limits. If Policy contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall also contain coverage for \$5,000 Medical Payments per accident, per person, and Fire Legal Liability in an amount not less than \$50,000.

c. **Vehicle Liability:** If CONSULTANT uses, or causes to be used, any vehicle or mobile equipment in the performance of its obligations under this Agreement, CONSULTANT shall maintain liability insurance for all owned, non-owned and hired vehicles in an amount not less than \$1,000,000 per occurrence combined single limit. If Policy contains a general aggregate limit, it shall apply separately to this Agreement or be

no less than two (2) times the occurrence limit. Policy shall be endorsed to name the County as Additional Insured.

d. **Property (Physical Damage):** All-Risk personal property insurance coverage for the full replacement value of all CONSULTANT's equipment, systems, structures and improvements/alterations if any (Care, Custody, and Control of CONSULTANT) used on County premises, or used in any way connected with the accomplishment of the work or performance of services under this Agreement.

e. **Professional Liability:** CONSULTANT shall maintain Professional Liability Insurance providing coverage for performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If CONSULTANT's Professional Liability Insurance is written on a claims-made basis (Project Specific) rather than an occurrence basis, such insurance shall continue through the term of this Agreement. Upon termination of this Agreement, or the expiration or cancellation of the claims made insurance policy, CONSULTANT shall purchase at its sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage), or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement, or 3) demonstrate through Certificates of Insurance that CONSULTANT has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2), or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

f. **General Insurance Provisions - All lines:**

(1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by the County Risk Manager. Carrier(s) shall have an A.M. BEST

rating of not less than an A:VIII. Insurance deductibles or self-insured retentions must be declared by the carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. At the election of the Risk Manager, carriers shall provide written notification, and shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. If no written notice is received from the County Risk Manager within ten (10) days of the acceptance of agreement, then such deductibles or self-insured retentions shall be deemed acceptable.

- (2) Cause its insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Except on professional liability policy, the County of Riverside, its Directors and Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives are named as Additional Insured. Further, said Certificates(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of

Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration or reduction in coverage, this lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage set forth herein and the insurance required herein is in full force and effect. **CONSULTANT shall not take commence operations under this Agreement until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements or Policies of insurance including all endorsements and any and all other attachments as required in this Section. The original Endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier and to do so on its behalf.**

- (3) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall, except on professional liability policy, be construed as primary, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

The County of Riverside Reserved Rights Insurance. The County of Riverside reserves the right to adjust the monetary limits of insurance coverage during the term of this agreement or any extension thereof if in the County Risk Manager's reasonable

judgment, the amount or type of insurance carried by the CONSULTANT becomes inadequate.

- (4) . CONSULTANT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

19. INDEMNITY AND HOLD HARMLESS: The CONSULTANT agrees to and shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Departments and Special Districts, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (hereinafter individually and collectively referred to as "Indemnitees") from:

A. All liability, including, but not limited to loss, suits, claims, demands, actions, or proceedings to the extent caused by any alleged or actual negligent, reckless or intentional act, error or omission, of CONSULTANT, its directors, officers, partners, employees, agents or representatives or any person or organization for whom CONSULTANT is responsible, arising out of or from the performance of professional services under this Agreement; and

B. All liability, including but not limited to, loss, suits, damage, claims and demands, based upon any alleged or actual act, error, omission, or occurrence of CONSULTANT its directors, officers, partners, employees, agents or representatives or any person or organization for whom CONSULTANT is responsible, arising out of, in connection with, resulting from conditions created by CONSULTANT or caused by the CONSULTANT's performance or failure of performance of any work or services, other than professional services covered under Section 'A' above, under this Agreement.

As respects each and every indemnification herein CONSULTANT shall defend and pay, at its sole expense, all costs and fees including but

not limited to attorney fees, cost of investigation, and defense and settlements or awards against the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

With respect to any action or claim subject to indemnification herein by CONSULTANT, CONSULTANT shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONSULTANT's indemnification to Indemnitees as set forth herein.

CONSULTANT's obligation hereunder shall be satisfied when CONSULTANT has provided to Indemnitees the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONSULTANT's obligations to indemnify and hold harmless Indemnitees from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONSULTANT from indemnifying the County to the fullest extent allowed by law.

20. ENTIRE AGREEMENT. This Agreement is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. Any amounts to or clarification necessary to this


Agreement shall be in writing and acknowledged by all parties to the Agreement. This Agreement may be changed or modified only upon the written consent of the Parties.

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency for the County of Riverside and CONSULTANT, have executed this Agreement as of the date first above written.

**SUCCESSOR AGENCY TO
THE REDEVELOPMENT FOR THE
COUNTY OF RIVERSIDE**

TEAMAN, RAMIREZ & SMITH, INC.

Jeff Stone
Chairman, Board of Supervisors



Richard Teaman
Partner, Teaman, Ramirez & Smith Inc.

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

**APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel**

By 

Anita C. Willis, Assistant Agency Counsel

**EXHIBIT A
SCOPE OF WORK
FINANCIAL AUDIT SERVICES for FY 2013-2014**

The Successor Agency to the Redevelopment Agency requests for an annual audit of its transactions for the period July 1, 2013 through June 30, 2014. The audit should be conducted in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. If necessary, the financial compliance audit shall also be conducted. The audit field work shall include but is not limited to tests of the accounting transactions and records and other procedures considered necessary to enable your firm to express an opinion on the financial statements in conformity with generally accepted accounting principles.

For this audit of the period ended June 30, 2014, the Agency will present all Agency funds as Private Purpose Trust Funds. Also, the Agency will require supplemental schedules to present the financial statements of Agency funds by project area.

The Consultant is to schedule the audit field work during the week of May 13, 2013 and to finalize audit field work during the week of August 19, 2013. By September 3, 2013, the Consultant is to submit draft audit reports to Agency management to allow for timely review prior to final issuance of the audit report on or before September 19, 2013. As the Consultant schedules staff to perform annual audit services, Consultant is to give the AGENCY consideration to assign the same on-site supervisor(s) if possible to provide continuity for service performance.

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**AGREEMENT BY AND BETWEEN THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE AND
BLX GROUP, LLC.
FOR INVESTMENT MANAGEMENT SERVICES**

THIS AGREEMENT, is made and entered into this ____ day of _____, 2014, by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE** (hereinafter "AGENCY"), and **BLX GROUP, LLC.**, a limited liability company of Delaware with its principal place of business located at 777 South Figueroa Street, Suite 3200, Los Angeles, California 90017 (hereinafter "CONSULTANT").

RECITALS

WHEREAS, AGENCY is the successor in interest to the Redevelopment Agency for the County of Riverside pursuant to the provisions of Section 34173 of the California Health and Safety Code;

WHEREAS, the Redevelopment Agency for the County of Riverside (Former RDA) was a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); the Former RDA was terminated as of February 1, 2012 pursuant to Section 34172;

WHEREAS, pursuant to Sections 34177-34181 of the Health and Safety Code, the AGENCY is authorized to make and execute contracts and other instruments necessary or convenient in compliance with the Enforceable Obligation Payment Schedule (EOPS) as superseded by the Recognized Obligation Payment Schedule (ROPS) as adopted by the Agency and the Oversight Board;

WHEREAS, pursuant to Board Policy B-21, the Successor Agency to the Redevelopment Agency for the County of Riverside is required to annually adopt its

Investment Policy and to file, at least annually, Disclosure Reports with the Board of Supervisors, the Auditor-Controller, and the Investment Oversight Committee.

WHEREAS, The CONSULTANT is the sole responsive/responsible bidder during the competitive procurement process conducted by the Agency through the County Purchasing department.

WHEREAS, The CONSULTANT desires to enter into a contract with the AGENCY which provided investment management services for all the bond issues of the AGENCY and additional investment management services are required for winding down the redevelopment activities of the AGENCY;

WHEREAS, CONSULTANT is listed on the Recognized Obligation Payment Schedule of the AGENCY, line number 23, for an amount not to exceed twenty two thousand five hundred dollars (\$22,500) per year;

WHEREAS, the Department of Finance (DOF) and the Oversight Board have approved this as an enforceable obligation; and

WHEREAS, CONSULTANT has agreed to provide such services to AGENCY.

NOW THEREFORE, based on the mutual promises contained herein, the parties hereto do hereby agree as follows:

1. **SCOPE OF WORK.** CONSULTANT will investment management services to prepare the quarterly investment portfolio disclosure reports of the AGENCY as described in the scope of work attached hereto as Exhibit "A".

2. **COMPENSATION AND METHOD OF PAYMENT.** CONSULTANT compensation shall be an amount not to exceed twenty two thousand five hundred dollars **(\$22,500.00) per year**. CONSULTANT shall submit invoices to AGENCY for progress payments based on work completed to date. AGENCY shall reimburse CONSULTANT within thirty (30) days of receipt of invoice.

3. **AMENDMENTS TO WORK PROGRAM.** The County's Purchasing Agent is authorized, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the Agreement, including amendments to the

compensation that do not exceed the CPI index, based on availability of funding. Such changes shall be mutually agreed upon by and between the County Executive Officer, or designee, and CONSULTANT, and shall be incorporated in written amendments to this Agreement.

4. **PERIOD OF PERFORMANCE.** CONSULTANT shall commence and complete performance of investment management services, described in Scope of Work item 1, above, upon execution of this Agreement by the AGENCY and agrees that it will diligently and responsibly pursue the performance of the services required of it by this Agreement. CONSULTANT will perform those services through completion unless the scope of work is altered by written amendments pursuant to the provisions in Section 3. All services to be performed herein shall be completed in accordance with the timeframes for quarterly reports as described.

5. **COOPERATION BY AGENCY.** All information, data, reports, records, and ledgers as they currently exist, available to AGENCY and necessary for carrying out the work described, shall be furnished to CONSULTANT without charge by AGENCY. AGENCY shall cooperate with CONSULTANT as appropriate to facilitate, without undue delay, the work to be performed under this Agreement.

6. **DESIGNATED REPRESENTATIVES.** The following individuals are hereby designated as representatives of the AGENCY and CONSULTANT respectively to act as liaison between the parties:

AGENCY

Alex Gann
Deputy County Executive Officer
County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Phone: (951) 955-1110
Fax: (951) 955-1105

CONSULTANT

Mark Creger
Chief Investment Officer
BLX GROUP LLC.
777 South Figueroa St, Suite 3200
Los Angeles, CA 90017-5855
Phone: (213) 612-2198
Fax: (213) 612-2499

Any change in designated representatives shall be promptly reported to the other party in order to ensure proper coordination.

7. **STANDARDS OF PERFORMANCE.** CONSULTANT shall comply with all applicable laws, ordinances and codes of the federal, state and local governments while performing the services described herein in a good, skillful, and professional manner.

8. **OWNERSHIP OF DOCUMENTS.** Documents, reports and materials prepared under this Agreement shall become the property of AGENCY upon receipt by AGENCY'S designated representative named in Section 6 of this Agreement.

9. **PERSONNEL AND ASSIGNMENT.** CONSULTANT represents that it has all personnel required to perform the services under this Agreement. CONSULTANT'S personnel shall not be employed by, nor have any direct contractual relationship with AGENCY. All services required hereunder shall be performed by CONSULTANT, its employees, or personnel under direct contract with CONSULTANT or subcontractors, it being specifically provided, however, that CONSULTANT shall not assign or subcontract the performance of this Agreement nor any part thereof without the prior, written consent of AGENCY.

10. **NON-DISCRIMINATION REQUIREMENTS.** CONSULTANT shall ensure that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, age, sex, marital status, handicap, national origin, ancestry or any category protected pursuant to the California Fair Employment and Housing Act, in the performance of this Agreement and that CONSULTANT, Contractor, or any person claiming under or through AGENCY shall not establish or permit any such practice or practices of discrimination or segregation.

11. **LEGAL REVIEWS.** AGENCY may, in its sole and exclusive discretion, conduct reviews to determine the legal sufficiency of any and all documents prepared by CONSULTANT, by or through AGENCY Counsel.

12. **GOVERNING LAW; JURISDICTION.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties

agree that this Agreement has been entered into at Riverside, California, and that any legal action related to the interpretation or performance of the Agreement shall be filed in the Superior Court for the State of California, in Riverside, California.

13. AUTHORITY OF CONSULTANT. CONSULTANT and its agents, servants, employees and subcontractors shall act at all times in an independent capacity during the term of this Agreement, and shall not act as, and shall not be, nor shall they in any manner be construed to be, agents, officers or employees of AGENCY, and further, CONSULTANT, its agents, servants, employees and subcontractors, shall not in any manner incur or have the power to incur any debt, obligation, or liability against AGENCY.

14. TERM AND TERMINATION. The term of this Agreement shall be for one (1) year commencing upon the signing of this Agreement with the option to renew for an additional four (4) years, in one year increments based on mutually acceptable services and cost adjustments, County requirements and availability of funding. There is no obligation by the County of Riverside to purchase any specified amount of goods and services under this Agreement. This Agreement may be terminated by AGENCY for any reason (with or without cause) upon giving fourteen (14) days written notice to CONSULTANT. AGENCY may terminate the Agreement immediately when: (1) it is determined by AGENCY that CONSULTANT activities are resulting in or may result in discredit to AGENCY; or (2) CONSULTANT has breached a material provision of this Agreement. In the event of termination, AGENCY may proceed with the work in any manner it deems to be proper and in the best interests of AGENCY.

Either party may terminate this Agreement upon thirty (30) days written notice to the other. In the event of such termination, CONSULTANT shall be compensated for all services performed and expenses incurred to the date of notice of termination as described in a written report to AGENCY prepared by CONSULTANT. Upon termination, CONSULTANT shall submit to AGENCY all materials and reports (including any uncompleted reports or unfinished work). Such compensation shall be paid within

thirty (30) days of termination.

15. **NOTICES OF TERMINATION.** Notice of termination by AGENCY to CONSULTANT shall be deemed delivered if sent by certified mail, return receipt requested, to: CONSULTANT; Notice by CONSULTANT to AGENCY shall be deemed delivered if sent by certified mail, return receipt requested, to AGENCY:

16. **CONFLICT OF INTEREST.** CONSULTANT represents and agrees that CONSULTANT has not employed any person to solicit or procure this Agreement, and has not made, and will not make, any payment or any agreement for the payment of any commission, percentage, brokerage, contingent fees, or other compensation in connection with the procurement of this Agreement.

17. **INDEPENDENT CONSULTANT.** It is understood and agreed that CONSULTANT is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONSULTANT shall not be entitled to any benefits payable to employees of AGENCY including County Workers' Compensation Benefits. It is further understood and agreed by the parties hereto that CONSULTANT in the performance of its obligation hereunder is subject to the control or direction of AGENCY merely as to the result to be accomplished by the services hereunder agreed to be rendered and performed and not as to the means and methods of accomplishing the results. CONSULTANT, its employees and agents shall maintain professional licenses required by the laws of the State of California at all times while performing services under the Agreement.

18. **INSURANCE.** Without limiting or diminishing CONSULTANT's obligation to indemnify and hold the County harmless, CONSULTANT shall procure and maintain, or cause to be maintained at its sole cost and expense, the following insurance coverage during the term of this Agreement:

- a. **Workers' Compensation:** If CONSULTANT has employees as defined by the State of California, CONSULTANT shall maintain

Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the County and, if applicable, provide a Borrowed Servant/Alternate Employer Endorsement.

b. **Commercial General Liability:** Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products/completed operations if applicable, personal and advertising injury covering claims that arise from or out of CONSULTANT's operations, use and management of the premises, or the performance of its obligations hereunder. Policy shall name, by Policy Endorsement, the County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents or representatives as Additional Insured. Policy limits shall not be less than \$2,000,000 per occurrence combined single limits. If Policy contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall also contain coverage for \$5,000 Medical Payments per accident, per person, and Fire Legal Liability in an amount not less than \$50,000.

c. **Vehicle Liability:** If CONSULTANT uses, or causes to be used, any vehicle or mobile equipment in the performance of its obligations under this Agreement, CONSULTANT shall maintain liability insurance for all owned, non-owned and hired vehicles in an amount not less than \$1,000,000 per occurrence combined single limit. If Policy contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall be endorsed to name the County as Additional Insured.

d. **Property (Physical Damage):** All-Risk personal property insurance coverage for the full replacement value of all CONSULTANT's equipment, systems, structures and improvements/alterations if any (Care, Custody, and Control of CONSULTANT) used on County premises, or used in any way connected with the accomplishment of the work or performance of services under this Agreement.

e. **Professional Liability:** CONSULTANT shall maintain Professional Liability Insurance providing coverage for performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If CONSULTANT's Professional Liability Insurance is written on a claims-made basis (Project Specific) rather than an occurrence basis, such insurance shall continue through the term of this Agreement. Upon termination of this Agreement, or the expiration or cancellation of the claims made insurance policy, CONSULTANT shall purchase at its sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage), or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement, or 3) demonstrate through Certificates of Insurance that CONSULTANT has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2), or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

f. **General Insurance Provisions - All lines:**

(1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by the County Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A:VIII. Insurance deductibles or self-insured retentions must be declared by the carrier(s), and such

deductibles and retentions shall have the prior written consent from the County Risk Manager. At the election of the Risk Manager, carriers shall provide written notification, and shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. If no written notice is received from the County Risk Manager within ten (10) days of the acceptance of agreement, then such deductibles or self-insured retentions shall be deemed acceptable.

- (2) Cause its insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Except on professional liability policy, the County of Riverside, its Directors and Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives are named as Additional Insured. Further, said Certificates(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration or reduction in

coverage, this lease shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage set forth herein and the insurance required herein is in full force and effect. **CONSULTANT shall not take commence operations under this Agreement until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements or Policies of insurance including all endorsements and any and all other attachments as required in this Section. The original Endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier and to do so on its behalf.**

- (3) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall, except on professional liability policy, be construed as primary, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

The County of Riverside Reserved Rights Insurance. The County of Riverside reserves the right to adjust the monetary limits of insurance coverage during the term of this agreement or any extension thereof if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONSULTANT becomes inadequate.

(4) CONSULTANT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

19. **INDEMNITY AND HOLD HARMLESS:** The CONSULTANT agrees to and shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Departments and Special Districts, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (hereinafter individually and collectively referred to as "Indemnitees") from:

A. All liability, including, but not limited to loss, suits, claims, demands, actions, or proceedings to the extent caused by any alleged or actual negligent, reckless or intentional act, error or omission, of CONSULTANT, its directors, officers, partners, employees, agents or representatives or any person or organization for whom CONSULTANT is responsible, arising out of or from the performance of professional services under this Agreement; and

B. All liability, including but not limited to, loss, suits, damage, claims and demands, based upon any alleged or actual act, error, omission, or occurrence of CONSULTANT its directors, officers, partners, employees, agents or representatives or any person or organization for whom CONSULTANT is responsible, arising out of, in connection with, resulting from conditions created by CONSULTANT or caused by the CONSULTANT's performance or failure of performance of any work or services, other than professional services covered under Section 'A' above, under this Agreement.

As respects each and every indemnification herein CONSULTANT shall defend and pay, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, and defense and settlements or awards against the County of Riverside, its Agencies,

Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

With respect to any action or claim subject to indemnification herein by CONSULTANT, CONSULTANT shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONSULTANT's indemnification to Indemnitees as set forth herein.

CONSULTANT's obligation hereunder shall be satisfied when CONSULTANT has provided to Indemnitees the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONSULTANT's obligations to indemnify and hold harmless Indemnitees from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONSULTANT from indemnifying the County to the fullest extent allowed by law.

20. ENTIRE AGREEMENT. This Agreement is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. Any amounts to or clarification necessary to this Agreement shall be in writing and acknowledged by all parties to the Agreement. This Agreement may be changed or modified only upon the written consent of the Parties.

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency for the County of Riverside and CONSULTANT, have executed this Agreement as of the date first above written.

**SUCCESSOR AGENCY TO
THE REDEVELOPMENT FOR THE
COUNTY OF RIVERSIDE**

BLX GROUP, LLC.

Jeff Stone
Chairman, Board of Supervisors



Mark Creger
Chief Investment Officer

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

APPROVED AS TO FORM:
PAMELA J. WALLS
Agency Counsel

By 

Anita C. Willis, Assistant Agency Counsel

Exhibit A

SCOPE OF WORK

The CONSULTANT shall provide the following as listed below:

1A. Investment Reports

I. The contractor shall submit a quarterly investment portfolio disclosure report to the successor agency to the redevelopment agency for the county of riverside (successor agency) and the housing authority as housing successor agency, which to a minimum, consists of the following:

(1) A consolidated listing of investment securities by type, quality and maturity;

(2) The cost and market value of all securities held;

(3) Each individual issue's arbitrage yield, current rate of earnings, and arbitrage status accrued through the most recent calculation date; and

(4) Such additional reports as may be required by the Board of Supervisors and/or the Agency's Oversight Board.

II. The report should include a summary of investments for both the Successor Agency and the Housing Successor Agency, as follows:

(1) By Bond Issue Summary;

(2) By Investment Type;

(3) By Maturity Summary;

(4) By Market Value Summary;

(5) By Rating Summary;

(6) By Yield Summary

2.0 Timeline

The contractor must submit five (5) hard printed copies of the quarterly report to the Successor Agency to the Redevelopment Agency for the County of Riverside and to the Housing Authority as the Housing Successor Agency on or before the 3rd Wednesday of the month following the end of the quarter. The report shall also be made available electronically to the Successor Agency, the Housing Successor Agency and the Investment Oversight Committee.