

FORM APPROVED COUNTY COUNSEL
 DATE 6/11/15
 BY: GREGORY P. PRIAMOS

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

316B



SUBMITTAL DATE:
 June 30, 2015

FROM: General Manager-Chief Engineer

SUBJECT: Approval of Multi-Year Consulting Services Agreement for Financial Auditing Services; 5 years [\$132,500 total]; [\$25,000 for FY 2015/16]; [\$25,750 for FY 2016/17]; [\$26,500 for FY 2017/18]; [\$27,250 for FY 2018/19]; [\$28,000 for FY 2019/20]; District Funds 100%

RECOMMENDED MOTION: That the Board of Supervisors:
 1. Approve the multi-year Consulting Services Agreement between the District and The Pun Group, LLP (Consultant); and
 2. Authorize the Chairman to execute the Agreement on behalf of the District.

BACKGROUND:

Summary

The multi-year Consulting Services Agreement (Agreement) sets for the terms and conditions by which the Consultant will provide financial auditing services for the District.

Continued on Page 2

WARREN D. WILLIAMS
 General Manager-Chief Engineer

AMR:blm
 P8/170171

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 25,000	\$ 25,750	\$ 132,500	\$ N/A	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET DISTRICT COST	\$ 25,000	\$ 25,750	\$ 132,500	\$ N/A	

SOURCE OF FUNDS: 15100 947200 524560 Administration, Auditing and Accounting
 Budget Adjustment: No
 For Fiscal Year: 15/16-19/20

C.E.O. RECOMMENDATION:

APPROVE
 BY:
 Steven C. Horn

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
 JEANINE J. REY, FINANCE DIRECTOR
 Departmental Concurrence
 JEANINE J. REY
 6/11/15

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

Prev. Agn. Ref.: District: All Agenda Number: **11-5**

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

170171

FORM 11: Approval of Multi-Year Consulting Services Agreement for Financial Auditing Services; 5 years [\$132,500 total]; [\$25,000 for FY 2015/16]; [\$25,750 for FY 2016/17]; [\$26,500 for FY 2017/18]; [\$27,250 for FY 2018/19]; [\$28,000 for FY 2019/20]; District Funds 100%

DATE: June 30, 2015

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

The District is required to have an annual audit performed on their financial statements and prepare a Comprehensive Annual Financial Report at the end of each Fiscal Year. County Counsel has approved the Agreement as to legal form and the Consultant has executed the Agreement.

Impact on Residents and Businesses

Costs incurred under this Agreement will be funded by ad valorem property tax revenue and entails no new fees, taxes or bonded indebtedness.

SUPPLEMENTAL:

Additional Fiscal Information

Sufficient funding will be included in the proposed budget(s) for Fiscal Years 2015-2016 through 2019-2020.

Contract History and Price Reasonableness

In accordance with the purchasing guidelines, on July 15, 2014, the District released Request for Proposal FCARC-089 for Financial Auditing Services on the District's website from July 15, 2014 through August 6, 2014. Seven vendors responded and submitted their proposals. The Pun Group, LLP was selected as the lowest, responsive bidder with a not to exceed cost of \$25,000 for Fiscal Year 2015-2016, \$25,750 for Fiscal Year 2016-2017, \$26,500 for Fiscal Year 2017-2018, \$27,250 for Fiscal Year 2018-2019 and \$28,000 for Fiscal Year 2019-2020.

ATTACHMENTS:

1. Consulting Services Agreement

AMR:blm

CONSULTING SERVICES AGREEMENT
FINANCIAL AUDITING SERVICES
(FY 2015/16 through FY 2019/20)

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The Riverside County Flood Control and Water Conservation District, hereinafter called "DISTRICT", and The Pun Group, LLP, hereinafter called "CONSULTANT", hereby agree as follows:

1. PROJECT – CONSULTANT shall provide financial auditing services for DISTRICT as further described in the Scope of Services attached hereto as Exhibit "A" and made a part hereof, and in accordance with applicable federal, state and local laws and regulations.
2. SCOPE OF SERVICES – DISTRICT hereby retains CONSULTANT as an independent contractor to perform all technical and professional services, including but not limited to, expertise, labor, equipment, tools, facilities, materials, supervision and other incidental services necessary to fully and adequately perform and complete in a skillful and professional manner those services set forth in Exhibit "A" attached hereto and made a part hereof. CONSULTANT shall not perform any additional work beyond those services set forth in Exhibit "A", except as directed by DISTRICT in writing.
3. TIME FOR PERFORMANCE – CONSULTANT shall not commence performance of any work or services, for any reason whatsoever, until DISTRICT has provided CONSULTANT with a written Notice to Proceed authorizing CONSULTANT to initiate work pursuant to this Agreement. No payment will be made for any work or services performed prior to the issuance of said Notice to Proceed. The term of this Agreement shall commence on July 1, 2015 and shall terminate at midnight on June 30, 2020.
4. COMPENSATION – DISTRICT shall pay CONSULTANT for actual services satisfactorily performed and expenses incurred in accordance with the schedule of professional fees and expenses as set forth on Exhibit "B" attached hereto and made a

1 part hereof. The amount of compensation paid to CONSULTANT for performance of
2 financial services approved pursuant to this Agreement shall not exceed i) twenty-five
3 thousand dollars (\$25,000) for Fiscal Year 2015-16, ii) twenty-five thousand seven
4 hundred fifty dollars (\$25,750) for Fiscal Year 2016-17, iii) twenty-six thousand five
5 hundred dollars (\$26,500) for Fiscal Year 2017-18, iv) twenty-seven thousand two
6 hundred fifty dollars (\$27,250) for Fiscal Year 2018-19, v) twenty-eight thousand dollars
7 (\$28,000) for Fiscal Year 2019-2020, and vi) the total sum of one hundred thirty-two
8 thousand five hundred dollars (\$132,500) over the entire term of this Agreement.
9

10 5. PAYMENT – CONSULTANT shall submit invoice(s) to DISTRICT (Attention:
11 Business Office-Accounts Payable) following completion of requested services. Upon
12 satisfactory performance of CONSULTANT'S services pursuant to the DISTRICT
13 approved scope of services, DISTRICT shall make payment to CONSULTANT within
14 forty-five (45) days after receipt of appropriate invoice(s) from CONSULTANT.
15 Progress payments, if permitted in the DISTRICT approved scope of services, shall be
16 processed no more than once per month. All invoices shall itemize charges to conform
17 with DISTRICT approved scope of services and Exhibit "B". All invoices shall contain,
18 at a minimum, the following information: DISTRICT'S purchase order number and
19 billing period indicating the date(s) services were rendered, and mailed to DISTRICT no
20 later than the 15th day of the month following the end of the billing period. DISTRICT
21 shall not pay interest or finance charges on any outstanding balance(s).
22

23
24 CONSULTANT shall keep employee and expense records according to customary
25 accounting methods and such records shall, upon request, be available for inspection by
26 DISTRICT to verify CONSULTANT'S invoice(s). All invoices shall itemize charges to
27 conform to the portion(s) of services and costs as set forth in Exhibits "A" and "B",
28 respectively. Incomplete invoices will be returned to CONSULTANT for correction(s).

1 Except as specifically provided for and stated in this Agreement or Exhibit "B", the
2 DISTRICT shall not be responsible for payment of any of CONSULTANT'S expenses.

3 6. LICENSES – CONSULTANT, its employees, agents, contractors and subcontractors
4 shall possess and maintain professional licenses required by required by the applicable
5 federal, state and local regulations at all times while performing services under this
6 Agreement.

7
8 7. STANDARD OF CARE – While performing the services, CONSULTANT shall
9 exercise the reasonable professional care and skill customarily exercised by reputable
10 members of CONSULTANT'S profession practicing in the State of California, and shall
11 use reasonable diligence and best judgment while exercising CONSULTANT'S
12 professional skill and expertise. By executing this Agreement, CONSULTANT
13 represents and maintains that CONSULTANT has the necessary experience and
14 expertise to skillfully perform all services, duties and obligations required by this
15 Agreement.

16
17 8. SUBCONTRACTING – CONSULTANT may, at CONSULTANT'S own expense,
18 employ special consultants to accomplish the work covered by this Agreement; however,
19 except as specifically provided in Exhibit "A" or as expressly identified in this
20 Agreement, no portion of the services pertinent to this Agreement shall be subcontracted
21 without prior written approval and authorization by DISTRICT.

22 In the event CONSULTANT subcontracts any portion of CONSULTANT'S duties under
23 this Agreement, CONSULTANT shall require its subcontractors to comply with the
24 terms of this Agreement in the same manner as required of CONSULTANT. The fact
25 that CONSULTANT employs special consultants not in his regular employ shall not
26 relieve CONSULTANT of any responsibility regarding the adequacy of the special
27 consultant's work performed or services provided pursuant to this Agreement.
28

1 9. NOTICES - Any and all notices sent or required to be sent to the parties of this
2 Agreement will be mailed by first class mail, postage prepaid to the following addresses:

3 RIVERSIDE COUNTY FLOOD CONTROL	THE PUN GROUP, LLP
4 AND WATER CONSERVATION DISTRICT	Attn: Kenneth H. Pun
5 1995 Market Street	79-220 Corporate Centre Drive
Riverside, CA 92501	Suite 103
Attn: Finance Division	La Quinta, CA 92253

6 10. INSURANCE – CONSULTANT shall not commence operations until DISTRICT has
7 been furnished with original certificate(s) of insurance and original certified copies of
8 endorsements and, if requested, certified original policies of insurance including all
9 endorsements and any and all other attachments as required in this Section.

10 Without limiting or diminishing CONSULTANT'S obligation to indemnify or hold
11 DISTRICT harmless, CONSULTANT shall procure and maintain or cause to be
12 maintained, at its sole cost and expense, the following insurance coverage's during the
13 term of this Agreement:
14

15 A. Workers' Compensation:

16 If CONSULTANT has employees as defined by the State of California,
17 CONSULTANT shall maintain statutory Workers' Compensation Insurance
18 (Coverage A) as prescribed by the laws of the State of California. Policy shall
19 include Employers' Liability (Coverage B) including Occupational Disease
20 with limits not less than \$1,000,000 per person per accident. Policy shall be
21 endorsed to waive subrogation in favor of DISTRICT and, if applicable, to
22 provide a Borrowed Servant/Alternate Employer Endorsement.
23

24 B. Commercial General Liability:

25 Commercial General Liability insurance coverage, including but not limited to,
26 premises liability, unmodified contractual liability, products and completed
27 operations liability, personal and advertising injury, and cross liability
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1 coverage, covering claims which may arise from or out of CONSULTANT'S
2 performance of its obligations hereunder. Policy shall name the Riverside
3 County Flood Control and Water Conservation District, the County of
4 Riverside, its agencies, districts, special districts and departments, their
5 respective directors, officers, Board of Supervisors, employees, elected or
6 appointed officials, agents or representatives as additional insureds. Policy's
7 limit of liability shall not be less than \$1,000,000 per occurrence combined
8 single limit. If such insurance contains a general aggregate limit, it shall apply
9 separately to this Agreement or be no less than two (2) times the occurrence
10 limit.
11

12 C. Vehicle Liability:

13 If CONSULTANT'S vehicles or mobile equipment are used in the performance
14 of the obligations under this Agreement, then CONSULTANT shall maintain
15 liability insurance for all owned, non-owned or hired vehicles so used in an
16 amount not less than \$1,000,000 per occurrence combined single limit. If such
17 insurance contains a general aggregate limit, it shall apply separately to this
18 Agreement or be no less than two (2) times the occurrence limit. Policy shall
19 name the Riverside County Flood Control and Water Conservation District, the
20 County of Riverside, its agencies, districts, special districts and departments,
21 their respective directors, officers, Board of Supervisors, employees, elected or
22 appointed officials, agents or representatives as additional insureds.
23

24 D. Professional Liability:

25 CONSULTANT shall maintain Professional Liability Insurance providing
26 coverage for CONSULTANT'S performance of work included within this
27 Agreement, with a limit of liability of not less than \$1,000,000 per occurrence
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1 and \$2,000,000 annual aggregate. If CONSULTANT'S Professional Liability
2 Insurance is written on a claims made basis rather than an occurrence basis,
3 such insurance shall continue through the term of this Agreement and
4 CONSULTANT shall purchase at his sole expense either 1) an Extended
5 Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates
6 Coverage from a new insurer with a retroactive date back to the date of, or
7 prior to, the inception of this Agreement; or 3) demonstrate through Certificates
8 of Insurance that CONSULTANT has maintained continuous coverage with the
9 same or original insurer. Coverage provided under items 1), 2) or 3) will
10 continue as long as the law allows.
11

12 E. General Insurance Provisions – All Lines:

- 13 i. Any insurance carrier providing insurance coverage hereunder shall be
14 admitted to the State of California and have an A.M. BEST rating of not
15 less than an A: VIII (A: 8) unless such requirements are waived, in
16 writing, by the County Risk Manager. If the County Risk Manager
17 waives a requirement for a particular insurer such waiver is only valid for
18 that specific insurer and only for one policy term.
19
- 20 ii. The CONSULTANT must declare its insurance self-insured retention for
21 each coverage required herein. If any such self-insured retention exceeds
22 \$500,000 per occurrence each such retention shall have the prior written
23 consent of the County Risk Manager before the commencement of
24 operations under this Agreement. Upon notification of self-insured
25 retention deemed unacceptable to the DISTRICT, and at the election of
26 the County Risk Manager, CONSULTANT'S carriers shall either 1)
27 reduce or eliminate such self-insured retention with respect to this
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1 Agreement with DISTRICT; or 2) procure a bond which guarantees
2 payment of losses and related investigations, claims administration and
3 defense costs and expenses.

4 iii. CONSULTANT shall cause their insurance carrier(s) to furnish
5 DISTRICT with 1) a properly executed original certificate(s) of insurance
6 and certified original copies of endorsements effecting coverage as
7 required herein; and 2) if requested to do so orally or in writing by the
8 County Risk Manager, provide original certified copies of policies
9 including all endorsements and all attachments thereto, showing such
10 insurance is in full force and effect. Further, said certificate(s) and
11 policies of insurance shall contain the covenant of the insurance carrier(s)
12 that a minimum of thirty (30) days written notice shall be given to the
13 DISTRICT prior to any material modification, cancellation, expiration or
14 reduction in coverage of such insurance. If CONSULTANT insurance
15 carrier(s) policies does not meet the minimum notice requirement found
16 herein, CONSULTANT shall cause CONSULTANT'S insurance
17 carrier(s) to furnish a 30-day Notice of Cancellation Endorsement. In the
18 event of a material modification, cancellation, expiration or reduction in
19 coverage, this Agreement shall terminate forthwith, unless DISTRICT
20 receives, prior to such effective date, another properly executed original
21 certificate of insurance and original copies of endorsements or certified
22 original policies, including all endorsements and attachments thereto,
23 evidencing coverages set forth herein and the insurance required herein is
24 in full force and effect. An individual authorized by the insurance carrier
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to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

iv. It is understood and agreed by the parties hereto that CONSULTANT'S insurance shall be construed as primary insurance, and DISTRICT'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

v. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by CONSULTANT has become inadequate.

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

vii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.

viii. CONSULTANT agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

11. INDEMNIFICATION – CONSULTANT shall indemnify and hold harmless DISTRICT (including its officers, Board of Supervisors, elected and appointed officials, employees,

1 agents and representatives) from any liability, claim, damage, proceeding or action,
2 present or future, based upon, arising out of or in any way relating to CONSULTANT'S
3 (including its officers, employees, subcontractors and agents) actual or alleged negligent,
4 reckless or willful misconduct, acts or omissions related to this Agreement, performance
5 under this Agreement, or failure to comply with the requirements of this Agreement,
6 including but not limited to (a) property damage; (b) bodily injury or death; or (c) any
7 other element of any kind or nature whatsoever.

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9 CONSULTANT shall defend, at its sole expense, including all costs and fees (including
10 but not limited to attorney fees, cost of investigation, defense and settlements or awards),
11 DISTRICT (its officers, Board of Supervisors, elected and appointed officials,
12 employees, agents and representatives) in any claim, proceeding or action for which
13 indemnification is required.

14 With respect to any of CONSULTANT'S indemnification requirements,
15 CONSULTANT shall, at its sole cost, have the right to use counsel of their own choice
16 and shall have the right to adjust, settle, or compromise any such claim, proceeding or
17 action without the prior consent of DISTRICT, provided however, that such adjustment,
18 settlement or compromise in no manner whatsoever limits or circumscribes
19 CONSULTANT'S indemnification obligations to DISTRICT.
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21 CONSULTANT'S indemnification obligations shall be satisfied when CONSULTANT
22 has provided to DISTRICT the appropriate form of dismissal (or similar document)
23 relieving DISTRICT from any liability for the claim, proceeding or action involved.

24 The specified insurance limits required in this Agreement shall in no way limit or
25 circumscribe CONSULTANT'S obligations to indemnify and hold harmless DISTRICT
26 from third party claims.
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1 In the event there is conflict between this Section and California Civil Code Section
2 2782, this Section shall be interpreted to comply with California Civil Code Section
3 2782. Such interpretation shall not relieve CONSULTANT from indemnifying
4 DISTRICT to the fullest extent allowed by law.

5 12. WORK PRODUCT – CONSULTANT shall provide DISTRICT with all power point
6 presentations, financial, statistical, personal, technical data, materials, logs and reports as
7 described in Exhibit "A". All work products or deliverables furnished under this
8 Agreement shall be and remain the sole property of DISTRICT. CONSULTANT shall
9 not publish or transfer any material produced by CONSULTANT or resulting from
10 activities supported by this Agreement without the written consent of the General
11 Manager-Chief Engineer. If any such material is subject to copyright or trademark, the
12 parties agree that the right to any and all copyright and/or trademark in and to the
13 material is expressly reserved to DISTRICT. If any such material is copyrighted, the
14 parties hereto understand and agree that DISTRICT reserves a royalty-free, non-
15 exclusive, and irrevocable license to reproduce, publish and use such material, in whole
16 or in part, and to authorize others to do so, provided written credit is given to the author.

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19 13. TERMINATION – At any time during the term of this Agreement, DISTRICT may:
20 a. Terminate this Agreement without cause upon providing CONSULTANT thirty
21 (30) days written notice stating the extent and effective date of termination; or
22 b. Upon five (5) days written notice, terminate this Agreement for CONSULTANT
23 default, if CONSULTANT refuses or fails to comply with the provisions of this
24 Agreement or fails to make progress so as to endanger performance and does not
25 cure such failure within a reasonable period of time. In the event of such
26 termination, the DISTRICT may proceed with the work in any manner deemed
27 proper to DISTRICT.
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1 In the event DISTRICT issues a Notice of Termination, CONSULTANT shall (i) stop all
2 work under this Agreement on the date specified in the Notice of Termination; and (ii)
3 transfer to DISTRICT and deliver in the manner, and to the extent, if any, as directed by
4 DISTRICT, any financial, statistical, personal, technical data, reports, or other products,
5 which, if the Agreement had been completed, would have been required to be furnished
6 to DISTRICT.

7 In the event DISTRICT terminates this Agreement, DISTRICT shall make payment for
8 all services performed in accordance with this Agreement to the date of termination, a
9 total amount which bears the same ratio to the total maximum fee otherwise payable
10 under this Agreement as the services actually bear to the total services necessary for
11 performance of this Agreement. Notwithstanding any of the other provisions of this
12 Agreement, CONSULTANT'S rights under this Agreement shall terminate (except for
13 fees accrued prior to the date of termination) upon dishonesty, or a willful or material
14 breach of this Agreement by CONSULTANT, or in the event of CONSULTANT'S
15 unwillingness or inability for any reason whatsoever to perform the duties hereunder, or
16 if Agreement is terminated pursuant to Section 21 herein, titled NON-
17 DISCRIMINATION. In such event, CONSULTANT shall not be entitled to any further
18 compensation under this Agreement. The rights and remedies of DISTRICT provided in
19 this Section shall not be exclusive and are in addition to any other rights and remedies
20 provided by law or under this Agreement.

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24 14. ASSIGNMENT – Neither this Agreement nor any part thereof shall be assigned by
25 CONSULTANT without the prior written consent of DISTRICT.

26 15. ERRORS AND OMISSIONS – In the event CONSULTANT'S work products or any
27 other documents furnished under this Agreement contain any errors or omissions that
28 cause the DISTRICT to incur additional expense beyond what would have otherwise

1 resulted if there were no errors or omissions in CONSULTANT'S work products or any
2 other documents, such additional expense shall be borne solely by CONSULTANT.

3 16. CONFLICT OF INTEREST – CONSULTANT covenants that it presently has no
4 interest in, including but not limited to, other projects or independent contracts and shall
5 not acquire any such interest, direct or indirect, which would conflict in any manner or
6 degree with the performance of services required to be performed under this Agreement.
7 CONSULTANT further covenants that in the performance of this Agreement, no person
8 having any such interest shall be employed or retained by it under this Agreement.
9

10 17. CONFIDENTIALITY OF DATA – All financial, statistical, personal, technical or other
11 data and information which is designated confidential by DISTRICT and subsequently
12 made available to CONSULTANT shall not be disclosed (in whole or in part) by
13 CONSULTANT to any third parties and shall be protected by CONSULTANT from
14 unauthorized use and disclosure. The only exception to this shall be if disclosure is
15 approved in advance in writing by DISTRICT or if the disclosure is made to
16 CONSULTANT'S subcontractors as anticipated by this Agreement.
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18 CONSULTANT shall refer all requests for information to DISTRICT. These same
19 requirements shall be applicable to any of CONSULTANT'S subcontractors.
20 CONSULTANT shall include the requirements stated in this Section in the agreement(s)
21 with any of its subcontractors.
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23 18. INDEPENDENT CONTRACTOR – CONSULTANT and the agents and employees of
24 CONSULTANT shall act at all times in an independent capacity during the term of this
25 Agreement and in the performance of the services to be rendered hereunder and shall not
26 act as or shall not be and shall not in any manner be considered employees or agents of
27 DISTRICT.
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- 1 19. JURISDICTION/LAW/SEVERABILITY – This Agreement is to be construed in
2 accordance with the laws of the State of California. If any provision of this Agreement
3 is held by a court of competent jurisdiction to be invalid, void or unenforceable, the
4 remaining provisions shall be declared severable and shall be given full force and effect
5 to the extent possible.
- 6 Any legal action, in law or equity related to the performance or interpretation of this
7 Agreement shall be filed only in the Superior Court for the State of California located in
8 Riverside, California and the parties waive any provision of law providing for a change
9 of venue to another location. Prior to the filing of any legal action, the parties shall be
10 obligated to attend a mediation session with a neutral mediator to try to resolve the
11 dispute.
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- 13 20. WAIVER – Any waiver by DISTRICT of any breach of any one or more of the terms of
14 this Agreement shall not be constructed to be a waiver of any subsequent or other breach
15 of the same or any other term thereof. Failure on the part of DISTRICT to require exact,
16 full and complete compliance with any terms of this Agreement shall not be construed as
17 in any manner changing the terms hereof or stopping DISTRICT from enforcement
18 hereof.
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- 20 21. NON-DISCRIMINATION – In the performance of the terms of this Agreement,
21 CONSULTANT shall not engage in nor permit others he may employ to engage in
22 discrimination in the employment of persons because of the race, color, national origin
23 or ancestry, religion, physical handicap, disability as defined by the Americans with
24 Disabilities Act (ADA), medical condition, marital status or sex of such persons, in
25 accordance with the provision of California Labor Code Section 1735.
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- 27 22. NON-APPROPRIATION OF FUNDS – It is mutually agreed and understood that the
28 obligations of DISTRICT are limited by and contingent upon the availability of

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DISTRICT funds for the reimbursement of CONSULTANT'S fees. In the event that such funds are not forthcoming for any reason, DISTRICT shall immediately notify CONSULTANT in writing. This Agreement shall be deemed terminated and have no further force and effect immediately on receipt of DISTRICT'S notification by CONSULTANT. In the event of such termination, CONSULTANT shall be entitled to payment for work already completed in accordance with Sections 4 and 5 (COMPENSATION AND PAYMENT).

23. DISCREPANCIES – In the event of any conflict between the terms of this Agreement and Exhibit A or Exhibit B, the terms of this Agreement shall govern. In the event of any conflict between Exhibit A and Exhibit B, Exhibit A shall govern.

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1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

2 _____
3 (to be filled in by Clerk of the Board)

4 RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

5
6 By 
7 WARREN D. WILLIAMS
8 General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Board of Supervisors, Riverside County Flood
Control and Water Conservation District

9 APPROVED AS TO FORM:

ATTEST:

10 GREGORY P. PRIAMOS
11 County Counsel

KECIA HARPER-IHEM
Clerk of the Board

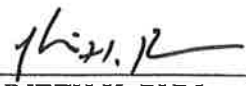
12
13 By 
14 NEAL KIPNIS
15 Deputy County Counsel

By _____
Deputy

(SEAL)

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24 Consulting Services Agreement FY 2015/16 to 2019/20
25 Financial Auditing Services
26 06/02/2015
27 AMR:blm
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THE PUN GROUP, LLP

By 
KENNETH H. PUN
Managing Partner

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Consulting Services Agreement FY 2015/16 to 2019/20
Financial Auditing Services
06/02/2015
AMR:blm

EXHIBIT A
SCOPE OF SERVICES

Services to be rendered:

1. Serve as the independent auditors for the Riverside County Flood Control and Water Conservation District (herein referred to as "District") and perform the audit examination of the District's financial statements for the five fiscal years ending June 30, 2015, 2016, 2017, 2018 and 2019. The examination will be conducted in accordance with auditing standards generally accepted in the United States; standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable pronouncements of Governmental Accounting Standards Board (GASB); and pronouncements of the Financial Accounting Standards Board (FASB).
2. Review and comment on all documents contained in each section of the CAFR – *Introductory, Financial and Statistical* – provided by District personnel. Provide an opinion on the fair presentation of the financial statements and the results of financial operations are in accordance with generally accepted accounting principles.
3. Provide a reasonable assurance that the District has an internal control structure and other control systems to provide reasonable assurance that it is managing District funds in compliance with applicable laws and regulations that may have a material impact on the financial statements.
4. Provide a check list of supporting documentation required for the audit process by the prescribed time as follows:
 - a. On or by March 1st, prior to each of the audited fiscal years, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-2020.
5. Perform *interim audit work* on an agreed upon date prior to commencing the *year-end substantive (final) audit* prior to or at the beginning of the fourth week of August of each applicable audit year.

Note: The District staff will substantially make all adjusting entries prior to the start of final fieldwork and will provide supporting schedules and reconciliations for all significant asset and liability balances.
6. Advise District staff of new accounting developments during the interim/planning stage of each year's audit including implementation of new and revised GASB pronouncements.
7. Issue a financial opinion on the District's financial statements no later than the first week of November of each applicable year.

8. Prepare a letter to the Board of Supervisors reporting matters dealing with internal control that meet the threshold of being *material weaknesses* or *significant deficiencies* as defined by professional auditing standards. Immediately report any irregularities or illegal acts discovered to the Finance Director, the Assistant Finance Director and any other member of the District that is required.
9. Prepare a letter to District management that will provide other recommendations to the District ensuing from the review of the District's internal control procedures within 15 days of receipt of the District's final draft of the financial statements, but no later than the first week of November. This letter will address non-reportable conditions (constructive comments not required to be included in the letter of reportable conditions to the Board of Supervisors). Discuss comments with Finance Director and Assistant Finance Director prior to its finalization.
10. Preparing, editing and printing of the reporting requirements/deliverables shall be the responsibility of the Consultant.
11. Provide the District unlimited telephone consultations regarding accounting and other technical matters. Provide advice in the application of generally accepted accounting principles and the establishment and segregation of funds. Advise the District regarding debt issuance, financial statement preparation and content, and other matters relating to the District, including matters of taxation and policy relating to District fringe benefits.

EXHIBIT B

Schedule of Professional Fees and Expenses

FISCAL YEAR 2015-2016

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 100	\$ 2,000
Manager	40	100	4,000
Supervisory Staff	91	100	9,100
Staff	91	100	9,100
Clerical	<u>8</u>	100	<u>800</u>
Total all-inclusive maximum price for FY 2015	<u>250</u>		<u>\$ 25,000</u>

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 2, SCOPE OF SERVICES of this Agreement.

EXHIBIT B

Schedule of Professional Fees and Expenses

FISCAL YEAR 2016-2017

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 103	\$ 2,060
Manager	40	103	4,120
Supervisory Staff	91	103	9,373
Staff	91	103	9,373
Clerical	<u>8</u>	103	<u>824</u>
Total all-inclusive maximum price for FY 2016	<u>250</u>		<u>\$ 25,750</u>

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 2, SCOPE OF SERVICES of this Agreement.

EXHIBIT B

Schedule of Professional Fees and Expenses

FISCAL YEAR 2017-2018

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 106	\$ 2,120
Manager	40	106	4,240.
Supervisory Staff	91	106	9,646
Staff	91	106	9,646
Clerical	<u>8</u>	106	<u>848</u>
Total all-inclusive maximum price for FY 2017	<u>250</u>		<u>\$ 26,500</u>

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 2, SCOPE OF SERVICES of this Agreement.

EXHIBIT B

Schedule of Professional Fees and Expenses

FISCAL YEAR 2018-2019

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 109	\$ 2,180
Manager	40	109	4,360
Supervisory Staff	91	109	9,919
Staff	91	109	9,919
Clerical	<u>8</u>	109	<u>872</u>
Total all-inclusive maximum price for FY 2018	<u>250</u>		<u>\$ 27,250</u>

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 2, SCOPE OF SERVICES of this Agreement.

EXHIBIT B

Schedule of Professional Fees and Expenses

FISCAL YEAR 2019-2020

<u>Level of Position/Title:</u>	<u>Estimated Hours</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	20	\$ 112	\$ 2,240
Manager	40	112	4,480
Supervisory Staff	91	112	10,192
Staff	91	112	10,192
Clerical	<u>8</u>	112	<u>896</u>
Total all-inclusive maximum price for FY 2019	<u>250</u>		<u>\$ 28,000</u>

Note: For extra work considered outside the scope of services described in Exhibit "A", refer to Section 2, SCOPE OF SERVICES of this Agreement.