

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

366



**FROM:** Executive Office

**SUBMITTAL DATE:**  
September 24, 2015

**SUBJECT:** Approve the Professional Services Agreement with KPMG LLP, for the Assessment of the Criminal Justice System Organizational/ Operational Performance, Financial review; and the Review of the Law-Enforcement Contract City Rates. Districts: All [Total Cost \$761,600], 100% Proposition 172

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and authorize the Chairman to sign the Professional Services Agreement with KPMG LLP for the assessment of the criminal justice system organizational and operational performance, financial review; and, review of the law-enforcement contract city rate for \$761,600 and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement, as approved by County Counsel.
3. Authorize the Purchasing Agent to increase the contract amount up to 10 percent for any contingencies by amendment, as approved by County Counsel.

Summary begins on page 2

*Debra Cournoyer*  
Debra Cournoyer  
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 761,600	\$	\$ 761,600	\$	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
<b>SOURCE OF FUNDS:</b> Proposition 172				<b>Budget Adjustment:</b> No	
				For Fiscal Year: 15/16	

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY: *George A. Johnson*  
George A. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COUNSEL  
BY: *ANITA C. WILLIS* 9-30-15  
DATE

Departmental Concurrence

PURCHASING & FLEET SERVICES: *Lisa Brandl*  
Lisa Brandl, Director

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

**3-53**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Approve the Professional Services Agreement between the County of Riverside and  
KPMG LLP, for an assessment of the criminal justice system organizational and operational  
performance, financial review; and, review of the law-enforcement contract city rates. Districts –  
All [Total Cost - \$761,600], 100% Proposition 172  
DATE: September 24, 2015  
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**BACKGROUND:**

**Summary**

Over the last few years, the roles of county criminal justice departments have changed significantly, as the State shifted its responsibilities to counties. Those changes stem from measures such as AB 109 criminal justice realignment and Proposition 47. Those State shifts combined with ongoing explosive population growth have dramatically affected county criminal justice departments.

County jails now house inmates with jail terms much longer than the typical, historical sentences served in county facilities. Frequently, longer-term inmates have multiple chronic health and behavioral-health conditions that must be monitored and addressed. Related costs, formerly paid through the state prison system, were shifted to counties and there is continuing concern that state funding to offset those costs simply cannot cover expenses now and in the long-term.

AB 109 has increased the Probation Department's supervision responsibilities, requiring the development of new strategies to address a more criminally sophisticated population and the expansion of office space across the county.

Prop. 47 reduced certain felonies to misdemeanors and, as a result, caseloads in the offices of the District Attorney and Public Defender have increased as requests to downgrade felony convictions to misdemeanors are prepared and reviewed.

Departments have developed and provided programs and services to meet the changing needs of post-release and jail populations. Although the post-recession revenue is growing; little if any of the funding remains available due to existing commitments to prevailing Board priorities. The Riverside County Fiscal Year 15/16 recommended budget indicates that 67 percent of discretionary funding is directed to public safety departments, leaving very little for requests from other county departments such as Animal Services, Assessor and Department of Public Social Services.

The purpose of the review is to provide a high-level assessment of the criminal justice system departments. The consultant will identify strengths, opportunities and weaknesses, compare financial and operational areas with similar jurisdictions, recommend data driven staffing models, as well as identify baseline and enhanced levels of service and recommend evidence based best practices for implementation. In addition, a thorough and comprehensive analysis of law-enforcement contract city rates and the cost allocation methodology will be undertaken. The assessments will provide information that will assist the Board in weighing public needs and setting its priorities for the most effective utilization of the limited financial resources available.

Therefore, on July 7, 2015, the Board approved the Request for Proposal's scope of work for the assessment of the criminal justice system organizational and operational performance, financial review; and, review of the law-enforcement contract city rates. The criminal justice partners included in the system review are the Sheriff's Department, the Office of the District Attorney, Office of the Public Defender and the Probation Department.

The project will focus on:

1. Evaluating public safety department expenditures and procedures, including budgets, administrative overhead, regular and special program administration.
2. Review of subordinate contractual agreements, specifically methodology used to establish contract rates and the degree of actual cost recovery from city contracts for all law enforcement services, including liability costs.

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[Total Cost - \$761,600], 100% Proposition 172  
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PAGE: 3 of 3**

3. Provide recommendations where duplication of effort or other opportunities from improved efficiencies or options to maximize the county's return on investment can be identified.

**Impact on Citizens and Businesses**

Engaging a consultant to review the financial, operational and organizational structure of the criminal justice departments and recommend evidence based best practices and opportunities for improvement will assure citizens that costs and services are essential, efficient and cost effective. County residents and stakeholders have an interest in knowing that services provided by county criminal justice departments are essential and effective. Furthermore, given the limited resources and competing needs, it is imperative to provide quality criminal justice services in the most efficient and cost effective manner.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The services provided under this agreement will occur in FY 15/16 for a fixed fee contract cost of \$761,600. The Executive Office recommends the use of Propositions 172 funds and will submit a budget adjustment for Board consideration in the 1st Quarter Report.

**Contract History and Price Reasonableness**

Purchasing released Request for Proposal EOARC-036 on behalf of the Executive Office, sending solicitations to forty companies and advertising on the County's Internet site, seeking qualified consultants to perform a financial, organizational and operational performance review of the Riverside County criminal justice system to assist the Board of Supervisors in developing its budgetary priorities and allocations.

The County received five proposals that were reviewed by an evaluation team consisting of executives from the Executive Office, Economic Development Agency, Orange County Probation Department and San Bernardino County Purchasing Department. Each bid response was evaluated based on the criteria set forth in the RFP: overall response to the RFP requirements, bidders experience and ability, cost & fees, references, financials, clarification, exceptions, deviations and credentials, resumes, licenses, permits, and certifications.

All five vendors gave presentations to the evaluation team, and based on the interview and presentation, KPMG LLP provided a comprehensive solution to perform the assessment of the criminal justice system organizational and operational performance, financial review; and review the law enforcement contract city rates. During the contract negotiations, County Purchasing reviewed KPMG cost proposal and negotiated a six percent cost reduction to a new cost of \$761,600 with KPMG based on 2704 hours of services to be provided. The KPMG staff has extensive experience in national security, law enforcement and working with justice agencies to be more efficient and proactive. Additionally, KPMG has committed to an aggressive timeline to provide the assessments by January 31, 2016 in order for the recommendations to be taken into consideration as preparations begin for the fiscal year 16/17 budget.

Recommendation: The evaluation team recommends the award with KPMG LLP as the most responsive/responsible bidder.

**PROFESSIONAL SERVICE AGREEMENT**

**for**

**Assessment of the Criminal Justice System Organizational and Operational Performance,  
Financial Review, and Review of Law-Enforcement Contract City Rate**

**between**

**COUNTY OF RIVERSIDE**

**and**

**KPMG LLP**



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This Agreement is made and entered into this 29<sup>th</sup> day of September, 2015, by and between KPMG LLP, a Delaware limited liability partnership (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). The parties agree as follows:

**1. Description of Services**

**1.1** CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Services, consisting of two pages, at the prices stated in Exhibit B, Payment Provisions, consisting of one page, both being attached hereto and incorporated by this reference.

**1.2** CONTRACTOR represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and the COUNTY relies upon this representation in entering into this Agreement. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

**1.3** CONTRACTOR affirms this it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

**1.4** Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

**2. Period of Performance**

**2.1** This Agreement shall be effective upon signature of this Agreement by both parties and continues in effect through July 31, 2016, unless terminated earlier. CONTRACTOR shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement.

**3. Compensation**

**3.1** The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed \$761,600 for the term of this Agreement including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

**3.2** No price increases will be permitted during the first year of this Agreement (If applicable). All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

**3.3** CONTRACTOR shall be paid only in accordance with Exhibit B and with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. CONTRACTOR will be paid in five (5) equal monthly installments of \$126,933, and a final installment of \$126,935 upon receipt of all deliverable by the COUNTY.

Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

EXECUTIVE OFFICE  
4080 LEMON STREET, 4<sup>TH</sup> FLOOR  
RIVERSIDE, CA 92501  
ATTN: DEBRA COURNOYER

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (EOARC-94620-001-06/16); quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears.

**3.4** The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made, and invoices shall be rendered "monthly" in arrears. In the State of California, Government agencies are not allowed to pay excess interest and late charges, per Government Codes, Section 926.10. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.

**4. Alteration or Changes to the Agreement**

**4.1** The Board of Supervisors and the COUNTY Purchasing Agent and/or his/her designee are the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly.

**4.2** Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

**5. Termination**

**5.1.** COUNTY may terminate this Agreement without cause upon 30 days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

**5.2** CONTRACTOR may terminate this Agreement without cause upon 180 days written notice served upon the COUNTY stating the intent and effective date of termination. CONTRACTOR will return funds to COUNTY on a pro-rata basis, if applicable.

**5.3** COUNTY may, upon five (5) days written notice terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not immediately cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

**5.4** After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Agreement on the date specified in the notice of termination; and
- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

**5.5** After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with the payment provisions of this Agreement.

**5.6** CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR;



or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.7 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

**6. Ownership/Use of Contract Materials and Products**

The CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement shall be the sole property of the COUNTY. The material, reports or products may be used by the COUNTY for any purpose COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of the COUNTY.

**7. Conduct of Contractor**

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

**8. Inspection of Service; Quality Control/Assurance**

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any COUNTY inspector to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the

services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected; the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also terminate this Agreement for default and charge to CONTRACTOR any costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to the CONTRACTOR.

9. **Independent Contractor/Employment Eligibility**

9.1 The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

9.2 CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees, for the period prescribed by the law.

**10. Subcontract for Work or Services**

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.

**11. Disputes**

**11.1** The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be decided by the COUNTY's Purchasing Department Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

**11.2** Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. The parties shall share the cost of the mediation.

**12. Licensing and Permits**

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

**13. Reserved**

**14. Non-Discrimination**

CONTRACTOR shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.)

and all other applicable laws or regulations.

**15. Records and Documents**

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such timekeeping and expense records ("Records") as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All Records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

**16. Confidentiality**

**16.1** The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

**16.2** The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

**17. Administration/Contract Liaison**

The COUNTY Executive Officer, or designee, shall administer this Agreement on behalf of the COUNTY. The Executive Officer is to serve as the liaison with CONTRACTOR in connection with this Agreement.

**18. Notices**

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the

United States mail, postage prepaid:

**COUNTY OF RIVERSIDE**

Executive Office  
4080 Lemon Street, 4<sup>th</sup> floor  
Riverside, CA 92501  
Attn: Debra Cournoyer  
Deputy CEO

Purchasing and Fleet Services  
2980 Washington Street  
Riverside, CA 92504  
Procurement Contract Specialist

**CONTRACTOR**

KPMG LLP  
1225 17<sup>th</sup> Street  
Denver, CO 80202  
Attn: Ian McPherson  
Principal

CONTRACTOR specifically agrees to service of process on any personnel of the LLP, for any and all purposes, at the address set forth above.

**19. Force Majeure**

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

**20. EDD Reporting Requirements**

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form DE 542 to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at [www.edd.ca.gov](http://www.edd.ca.gov).

**21. Hold Harmless/Indemnification**

**21.1** CONTRACTOR shall indemnify and hold harmless 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 (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. CONTRACTOR shall defend, at its sole expense, all costs, and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

**21.2** With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR 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 CONTRACTOR'S indemnification to Indemnitees as set forth herein.

**21.3** CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

**21.4** The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

## **22. Insurance**

**22.1** Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

### **A. Workers' Compensation:**

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory 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. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

### **B. Commercial General Liability:**

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury,

and cross liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

**C. Vehicle Liability:**

If vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance 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 name the COUNTY as Additional Insureds.

**D. Professional Liability:**

Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per claim and \$2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his/her sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from 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 CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

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

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to or authorized to do business in the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and original copies of Endorsements effecting coverage as required herein, showing such insurance is in full force and effect. Further, said Certificate(s) shall provide 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 Agreement 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 evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory as it relates to the CONTRACTOR'S negligence.

5) 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; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

6) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

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

8) CONTRACTOR agrees to notify COUNTY 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.

## **23. General**



**23.1** CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

**23.2** Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

**23.3** In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

**23.4** CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

**23.5** CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims, or encumbrances.

**23.6** Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

**23.7** The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

**23.8** CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

**23.9** CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

**23.10** CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of

California (Cal/OSHA).

**23.11** This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**24. Project Specific Terms**

**24.1** Limitation of Liability – Notwithstanding anything else herein to the contrary, the liability of the Contractor on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the services performed under the Contract shall be limited to the amount of two times the fees paid or owing to Contractor under the Contract. In no event shall Contractor be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses; (including, without limitation, lost profits and opportunity costs). This section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise and shall survive termination or expiration.

**24.2** Management Decisions. The COUNTY acknowledges and agrees that CONTRACTOR'S services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the COUNTY. The CONTRACTOR will not perform management functions or make management decisions for the COUNTY.

**24.3** Third Party Usage. Any advice, recommendations, information, deliverables or other work product provided to the COUNTY under this Agreement is for the sole use of the COUNTY, and is not intended to be, and may not be, relied upon by any third party, and all advice, recommendations, information, deliverables, or other work product may be marked to so indicate. Except for disclosures that are required by law or that are expressly permitted by this Agreement, the COUNTY will not disclose or permit access to such advice, recommendations, information, deliverables, or other work product to any third party without prior notice to CONTRACTOR.

**24.4** California Accountancy Act. For engagements where services will be provided by the CONTRACTOR through offices located in California, the COUNTY acknowledges that certain of CONTRACTOR'S personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1), and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states or territories.

**24.5** Electronic Communications. CONTRACTOR may communicate with the COUNTY by electronic mail or otherwise transmit documents in electronic form during the course of this Agreement. The COUNTY accepts the inherent risks of these forms of communication (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). The COUNTY agrees that the final hardcopy version of a document, including a deliverable, or other written communication that CONTRACTOR transmits to the COUNTY shall supersede any previous versions transmitted electronically by CONTRACTOR to the COUNTY.

**24.6** Active Spreadsheets and Electronic Files – CONTRACTOR may use models, electronic files, and spreadsheets with embedded macros created by CONTRACTOR to assist CONTRACTOR in providing the services under this Agreement. If the COUNTY requests a working copy of any such model, electronic file or spreadsheet, CONTRACTOR may, at its discretion, make such item available to the COUNTY for the COUNTY'S internal use only; provided that the COUNTY is responsible for obtaining the right to use any third party products necessary to use or operate such item.

**24.7** Use of Vendors. The COUNTY acknowledges that in connection with the performance of services under this Agreement, CONTRACTOR may use the services of KPMG-controlled entities and/or member firms of KPMG International to complete the services required by this Agreement. The COUNTY also acknowledges that in connection with the performance of services under this Agreement, CONTRACTOR uses vendors within and without the United States to provide at CONTRACTOR'S direction administrative and clerical services to CONTRACTOR. These KPMG-controlled entities, member firms of KPMG International, and vendors ("Third Parties") may in the performance of such services have limited access to information, including but not limited to confidential information, received by CONTRACTOR from or at the request or direction of the COUNTY. CONTRACTOR will have full responsibility to cause these Third Parties to comply with such conditions of confidentiality and CONTRACTOR shall be responsible for any consequences of their failure to comply. Accordingly, the COUNTY consents to CONTRACTOR'S disclosure to such Third Parties, and the use by such Third Parties of data and information, including but not limited to confidential information, received from or at the request or direction of the COUNTY for the purposes set forth herein.

**24.8** County Vendors and Conflicts. The COUNTY is aware that CONTRACTOR may be providing assurance, tax and/or advisory services to other actual or potential vendors of the COUNTY. CONTRACTOR will perform an internal search for any potential client conflicts relating to any of the COUNTY'S vendors identified by the COUNTY as having a role in connection with CONTRACTOR'S performance of this Agreement. The COUNTY hereby agrees that a vendor's status as a CONTRACTOR client does not impact CONTRACTOR'S engagement to perform this Agreement. CONTRACTOR will advise the COUNTY of any conflicts of interest that could prevent it from performing the Agreement. However, CONTRACTOR is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for any other related party will not be accepted somewhere else in CONTRACTOR'S firm. Should any new information come to CONTRACTOR'S attention, CONTRACTOR will promptly inform the COUNTY. CONTRACTOR shall perform this Agreement in accordance with applicable professional standards.

**24.9** Ownership of Materials. The CONTRACTOR retains all ownership rights in any proprietary methodologies, methods, processes, or procedures of the CONTRACTOR that pre-exist or were developed outside the scope of this Agreement. If any such property of CONTRACTOR is contained in any of the deliverables hereunder, the CONTRACTOR grants to the COUNTY a royalty-free, paid-up, non-exclusive, perpetual license to use such CONTRACTOR intellectual property in connection with the COUNTY'S use of the deliverables.

**24.10** This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

**COUNTY:**

Board of Supervisors  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501

**CONTRACTOR:**

KPMG LLP  
1225 17<sup>th</sup> Street  
Denver, CO 80202

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_



Print Name: Marion Ashley

Print Name: Ian McPherson

Title: Chairman of the Board

Title: Principal

Date: \_\_\_\_\_

Date: September 29, 2015

FORM APPROVED COUNTY COUNSEL

BY: Marsha L. Victor 9/29/15  
MARSHA L. VICTOR DATE

**EXHIBIT A**  
**SCOPE OF WORK**

The CONTRACTOR'S approach to executing this scope of work will be conducted in accordance with the project plan incorporated within the CONTRACTOR'S bid proposal response to COUNTY'S Request for Proposal #EOARC-036.

**Project Focus**

1. Evaluating public safety department expenditures and procedures, including the budgets, administrative overhead, regular and special program administration, etc.
2. Review of subordinate contractual agreements, specifically the methodology used to establish contract rates and the degree of actual cost recovery from city contracts for all law enforcement services, including liability costs.
3. Based on the above; provide recommendations to the Board of Supervisors where duplication of effort or other opportunities for improved efficiencies or options to maximize the COUNTY'S return on investment can be identified.

**2. CONTRACTOR PERFORMANCE**

**Part 1- CONTRACTOR shall complete the Criminal Justice System Review:**

- a. For each department, review and analyze publicly available or readily accessible background data on topics including, but not limited to, crime analysis, criminal investigations, contracted services such as conflict counsel, current and prior year's budget, current programs and services, departmental policies, procedures and practices, staffing levels and resource allocation, and workload and workload trend information;
- b. Review budget information including administrative overhead, and regular and special program administrative costs to assist the Board of Supervisors in developing budgetary priorities and allocations;
- c. Compare all of the above to similar sized counties, with a focus on California jurisdictions and available criminal justice data;
- d. Evaluate core functions and determine baseline and enhanced criminal justice services based on evidence based best practices and state and local requirements;
- e. Prepare cost benefit models for services and programs, e.g. Washington State Institute for Public Policy;
- f. Identify strengths, weaknesses and opportunities for improvement;
- g. Recommend priorities and phasing of improvements;
- h. Identify areas for further in-depth analysis;
- i. Identify areas for collaboration and sharing of resources among criminal justice departments;
- j. Recommend evidence based best practices, business models and strategies for implementation;
- k. Develop financial and service delivery performance measures, matrixes, and benchmarks to measure progress and ensure sustainability; and,
- l. Prepare a final report.

- m. CONTRACTOR will be required to pass security clearance as required for each department for access to departmental offices and materials.

**Part 2- CONTRACTOR shall Review Contract City Cost Allocation Methodology:**

- a. Review current law enforcement services provided to contract cities and the methodology for allocating costs among the contract cities and the unincorporated County;
- b. Determine if all allowable costs are recovered through city contracts;
- c. Review liability costs and recommend a model(s) to maximize reimbursement;
- d. Identify strengths, weaknesses and opportunities for improvement;
- e. Recommend evidence based best practices and strategies for implementation;
- f. Develop performance measures, matrixes and benchmarks to ensure the sustainability of recommendations; and Prepare a final report.

**3. The County will assist the consultant in obtaining the following data and information, if available:**

- a. Map of departmental offices and station locations.
- b. Number of staff and classifications at each location.
- c. Types of services provided at each location and policies and procedures for the delivery of services
- d. County data on trends in population, demographics and development growth.
- e. Historic and current departmental caseload data, staffing levels and if appropriate, response types and times.
- f. Current cost allocation methodology.
- g. Current city contracts and mutual aid agreements.
- h. Strategic planning documents and previous consultant reports for service levels, staffing levels, etc.
- i. Labor contracts and MOU's.
- j. Applicable county policies and ordinances.
- k. Workers compensation and risk management information.

**EXHIBIT B  
PAYMENT PROVISIONS**

The CONTRACTOR'S professional fees are indicated below and are structured as a firm fixed price total amount, with rates and estimated hours provided for informational purposes only as requested in the COUNTY'S request for proposal process.

<b>Review</b>	<b>Fee</b>	<b>Hours (Worked)</b>	<b>Hours (Billed)</b>
<b>Part 1</b>	\$416,895	1,448	1,418
<b>Part 2</b>	\$344,705	1,256	1,230
<b>Report &amp; Complete Cost of Part 1 and Part 2</b>	Included in Part 1 & 2 amount above		
<b>Including all staff and expenses</b>	\$761,600*	2,704	2,648
<b>Optional Services 1: Cost for further in-depth review of specific areas.</b>	To be negotiated separately once Task 1 and 2 are nearing completion or complete and scope can be defined.		
<b>Optional Service 2: Cost for implementation of individual recommendations</b>	To be negotiated separately once Task 1 and 2 are nearing completion or complete and scope can be defined.		

\*If this Agreement is amended to exceed one million dollars, CONTRACTOR shall submit an Iran Contracting Act Declaration to the COUNTY within 30 days.

**Payment Schedule:**

<u>Description</u>	<u>Amount</u>	<u>Invoice Due Date</u>
Payment 1 for services provided in October	\$126,933	November 15, 2015
Payment 2 for services provided in November	\$126,933	December 15, 2015
Payment 3 for services provided in December	\$126,933	January 15, 2016
Payment 4 for services provided in January	\$126,933	February 15, 2016
Payment 5 for services provided in February	\$126,933	March 15, 2016
Payment 6 upon receipt by County of all deliverables	\$126,935	April 15, 2016
<b>TOTAL</b>	<b>\$761,600</b>	

Regarding Optional Services 1 and 2: Based on our previous experiences with engagements of similar scope and objective, we recommend that the COUNTY and CONTRACTOR define scope for:

1. Further in-depth review of specific areas, and
2. Implementation of individual recommendations once Part 1 and 2 reviews are nearing completion or complete.

This approach can help the COUNTY prioritize its investment in further consulting services in those areas where it is needed most based on a full understanding of the results of CONTRACTOR'S review efforts. COUNTY and CONTRACTOR can then work to define scope, approach, and related costs of needed services thereupon.