

FORM APPROVED COUNTY COUNSEL  
12/23/15  
DATE  
BY: JAMES E. BROWN

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: Susana Garcia-Bocanegra  
1/5/16  
Departmental Concurrence

402



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

**FROM:** Auditor-Controller's Office

**SUBMITTAL DATE:**  
November 30, 2015

**SUBJECT:** Approval of Amendment no.2 for the Comprehensive Annual Financial Report (CAFR) and Single Audit Act Services with Brown Armstrong Accountancy Corporation, increasing the contract amount, for four years. [All Districts]; [\$18,000]; Department Budget General Fund (100%)

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

1. Approve and execute Amendment no.2 for FY15/16 to FY18/19 to the professional service agreement with Brown Armstrong Accountancy Corporation and increase the aggregate amount \$18,000 from \$1,246,880 to \$1,264,880; and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement, as approved by County Counsel.

**BACKGROUND:**

**Summary**

On May 20, 2014, the Board of Supervisors approved the professional services agreement with Brown Armstrong Accountancy Corporation for Countywide financial audit services for a five year period.

(continued to page 2)

*Raul Angulo*  
Raul Angulo, CPA, M.A.  
Auditor-Controller

| FINANCIAL DATA  | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office)   |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST            | \$ 4,500             | \$ 4,500          | \$ 18,000   | \$ 0          | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ 4,500             | \$ 4,500          | \$ 18,000   | \$ 0          |   |

**SOURCE OF FUNDS:** Department Budget General Fund (100%)  
**Budget Adjustment:** No  
**For Fiscal Year:** 15/16-18/19

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

APPROVE

BY: *Samuel Wong 1/19/16*  
Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

**Prev. Agn. Ref.:** 3-10 5/20/14, 3-10 4/28/15  
**District:** ALL  
**Agenda Number:**

3-7

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Approval of Amendment no.2 for the Comprehensive Annual Financial Report (CAFR) and Single Audit Act Services with Brown Armstrong Accountancy Corporation, increasing the contract amount, for four years. [All Districts]; [\$18,000]; Department Budget General Fund (100%)**

**DATE: November 30, 2015**

**PAGE: 2 of 2**

**BACKGROUND:**

**Summary (continued)**

The services were competitively bid on RFP ACARC-94620-001-06/15 and the County received three bid responses to the RFP submitted by the vendors. Brown Armstrong Accountancy Corporation was the lowest responsive/responsible vendor for these services. Brown Armstrong Accountancy Corporation will hold the contract pricing for these additional services. Brown Armstrong Accountancy Corporation will audit the Palm Desert Financing Authority, Southwest Financing Authority, and the 401a plan of the County per the amendment #1 of the contract. Brown Armstrong Accountancy Corporation will audit the GASB 68 information and allocation of the County per amendment #2 of the contract.

Board approved Agenda item 3-10 04/28/2015 for amendment #1. The amendment was for Brown Armstrong Accountancy Corporation to audit the Palm Desert Financing Authority, Southwest Financing Authority, and the 401a plan of the County.

**Impact on Citizens and Businesses**

There is no impact to the Citizens.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

None

**Contract History and Price Reasonableness**

Board Approved Agenda Item 3-10 5/20/2014 for the County CAFR Audit, Single Audit, and various other financial audits including; County departments, component units and agencies. Purchasing released a Request for Proposal (ACARC-015) on behalf of the Auditor-Controller's Office, sending solicitations to eleven companies and advertising on the County's internet. The County received three bid responses to the RFP submitted by the vendors. An evaluation team consisting of personnel from the Auditor-Controller and RCA reviewed the proposals. The evaluation team reviewed and scored each proposal based on the bidders overall responsiveness to the requirements of the RFP, experience and ability, overall cost to the County, references, financial status, clarification, exceptions or deviations and credential, resumes, licenses, and certifications. Three responses were received by the County with an aggregate cost ranging from \$1,100,000 to \$1,564,677 for five years. The evaluation committee recommends that the award be given to Brown Armstrong Accountancy Corporation as the lowest responsive/responsible vendor with an aggregate contract price of \$1,100,000, for five years.

**Attachments**

- A. Amendment No. 2 to the ACARC-94620-001-06/15 contract

COUNTY OF RIVERSIDE  
AMENDMENT NO.2 TO THE AGREEMENT  
WITH

BROWN ARMSTRONG ACCOUNTANCY CORPORATION

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Original Contract Term: July 1, 2014 through June 30, 2019  
Effective Date of Amendment: October 26, 2015  
Annual Maximum Contract Amount: See Page 2 of the Amendment

The Agreement between County of Riverside, herein referred to as COUNTY and Brown Armstrong Accountancy Corporation, herein referred to as CONTRACTOR, entered into as of May 20, 2014 amended as follows:

1. On page 17 of the Agreement, amend Exhibit A the "Scope of Work":  
The following sections are to be added in the Scope of Work for this Agreement:

**11. GASB Statement No. 68 Schedule of Department Allocations:**

**Services Required:**

- A. Perform audit procedures over the allocation percentages utilized in the allocation of the GASB Statement No. 68 Net Pension Liability and related adjustments per the County of Riverside Miscellaneous Plan, an Agent Multiple-Employer Defined Benefit Pension Plan, to the County's departments to accumulate sufficient audit evidence necessary to provide an unmodified opinion on this Schedule of Department Allocations by each department for the fiscal years ending June 30, 2015 through June 30, 2018 in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States.

**11.1 Reports:**

- A. Report preparation, editing, printing, binding shall be the responsibility of the CONTRACTOR. Ten (10) bound copies of the financial statements shall be submitted to the COUNTY/Executive Office by October 30, 2015 of the first fiscal year and then by September 30 of each of the following respective years after the fiscal year end.

2. On page 23 of the Agreement, amend Exhibit B the "Payment Provisions": The COUNTY agrees to pay CONTRACTOR for services listed in the Payment Provisions including all expenses, based on the availability of fiscal funding.

COUNTY OF RIVERSIDE  
 AMENDMENT NO.2 TO THE AGREEMENT  
 WITH  
 BROWN ARMSTRONG ACCOUNTANCY CORPORATION

Current Rates

| FY 2013-2014 | FY 2014-2015 | FY 2015-2016 | FY 2016-2017 | FY 2017-2018  |
|--------------|--------------|--------------|--------------|---------------|
| Year 1       | Year 2       | Year 3       | Year 4       | Year 5        |
| \$222,050.00 | \$251,310.00 | \$252,570.00 | \$257,840.00 | \$ 263,110.00 |

New Rates

| FY 2013-2014 | FY 2014-2015 | FY 2015-2016 | FY 2016-2017 | FY 2017-2018  |
|--------------|--------------|--------------|--------------|---------------|
| Year 1       | Year 2       | Year 3       | Year 4       | Year 5        |
| \$222,050.00 | \$255,810.00 | \$257,070.00 | \$262,340.00 | \$ 267,610.00 |

3. All other terms and conditions of the Agreement not modified herein shall remain unchanged.

**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

**BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

By: \_\_\_\_\_

By: Eric Xin

Name: \_\_\_\_\_

Name: ERIC XIN

Title: \_\_\_\_\_

Title: PRINCIPAL

Dated: \_\_\_\_\_

Dated: 11-23-2015

ATTEST:

Kecia Harper-Ihem  
 Clerk of the Board

By: \_\_\_\_\_

APPROVED AS TO FORM:

Gregory P. Priamos  
 County Counsel

By: Gregory P. Priamos