

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



**ITEM
3.10
(ID # 7166)**

MEETING DATE:

Tuesday, June 12, 2018

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Approval of Amendment No. 5 to the Professional Service Agreement for the Comprehensive Annual Financial Report (CAFR) and Single Audit Act Services with Brown Armstrong Accountancy Corporation, by increasing the contract amount, for one year, Districts: All. [\$28,500 - Department Budget General Fund 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Amendment No.5 to the Professional Service Agreement for Comprehensive Annual Financial Report (CAFR) and Single Audit Act Services with Brown Armstrong Accountancy Corporation to increase the contract amount by \$28,500 from \$1,284,880 to \$1,313,380.


ACTION: Policy


Paul A. Angulo, County Auditor-Controller 6/5/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: June 12, 2018
xc: Auditor

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 28,500	\$ 0	\$ 28,500	\$ 0
NET COUNTY COST	\$ 28,500	\$ 0	\$ 28,500	\$ 0
SOURCE OF FUNDS: Department Budget General Fund (100%)			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On May 20, 2014, the Board of Supervisors approved that certain Professional Services Agreement with Brown Armstrong Accountancy Corporation for Countywide comprehensive financial audit services and single audit act services for a one year period with four options to renew for one year terms.

The services were competitively bid on RFP ACARC-015 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. Under the new proposed amendment Brown Armstrong Accountancy Corporation will audit the Riverside County Health System, dba Riverside University Health System – Community Health Centers of the County and issue a financial report per Amendment No. 5 of the Agreement.

Impact on Residents and Businesses

There is no impact to the Citizens and Businesses.

SUPPLEMENTAL:

Additional Fiscal Information

Amendment contract detail:

Entity/Department:	FY 17/18
Riverside County Health System, dba Riverside University Health System – Community Health Centers of the County	\$28,500
Total	\$28,500

Contract History and Price Reasonableness

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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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 recommended 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.

The Board approved Agenda item 3-10 04/28/2015 for amendment No. 1. The amendment was to amend the description of services to add that Brown Armstrong Accountancy Corporation would audit the Palm Desert Financing Authority, Southwest Financing Authority, and the 401a plan of the County. Amendment No. 2 dated January 26, 2016 was done to include the audit services procedures over the allocation percentages utilized in the allocation of the GASB 68, Net Pension Liability. The Board approved Agenda item 3-10 5/2/2017 for Amendment No. 3 to extend the term period and add to the scope of services related to the audit services and issuance of financial reports for the Waste Resource Department and the infrastructure Financing Authority. Amendment No. 4 dated April 30, 2018 was done to properly update the correct "period of performance" expiration date.

- **Original Agreement-annual amount \$210,000 total contract cost \$1,100,000**
- **Amendment 1-increased by \$146,880**
- **Amendment 2 – no cost increase**
- **Amendment 3-increased by \$38,000**
- **Amendment 4-No increase**
- **Amendment 5- increased by \$28,500**
- **Total Contract Cost with approval of Amendment 5 \$1,313,380**


ATTACHMENT A. Amendment No. 5 to the ACARC-94620-001-06/15 contract with Exhibits B and B-1

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Stephanie P. ..., Principal Management Analyst 6/6/2018


Walter W. Mack, Sr. Procurement Contract Specialist 5/29/2018


Tina Grande, Assistant Purchasing Director 6/6/2018


Gregory V. Priamos, Director County Counsel 5/29/2018

COUNTY OF RIVERSIDE
AMENDMENT NO.5 TO THE AGREEMENT
WITH

BROWN ARMSTRONG ACCOUNTANCY CORPORATION

Original Contract Term:	July 1, 2014 through June 30, 2019
Contract Term Extended To:	NOT APPLICABLE
Effective Date of Amendment:	JUNE 12, 2018
Original Annual Maximum Contract Amount:	SEE ORIGINAL EXHIBIT B
Amended Annual Maximum Contract Amount:	SEE AMENDED EXHIBIT B-1
Contract ID:	ACARC-94620-001-06/15

The Professional Service Agreement (“Agreement”) between County of Riverside (COUNTY), a political subdivision of the State of California, and BROWN ARMSTRONG ACCOUNTANCY CORPORATION (CONTRACTOR), a California corporation, entered into as of MAY 20, 2014, and as first amended on April 28, 2015, second amended on January 26, 2016, third amended on May 2, 2017, fourth amended on April 30, 2018 and is now amended as follows:

1. DESCRIPTION OF SERVICES - SECTION 1: EXHIBIT A (Scope of Services) referenced in Section 1 of the Agreement is hereby by amended by adding the following to section 13 of Exhibit A:

13. Audit of the Riverside County Health System, dba Riverside University Health System - Community Health Centers of the County and Issuance of Financial Report:

A. Services Required:

Perform an audit of the financial statements of the Riverside County Health System, dba Riverside University Health System - Community Health Centers of the County for the fiscal years ended 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.

B. Reports:

Report preparation, editing, printing, and binding shall be the responsibility of the CONTRACTOR for the financial statements. Ten (10) bound copies of the financial Statements are to be submitted to the DEPARTMENT /COUNTY by October 31 of each of the respective years after the fiscal year end.

2. COMPENSATION - SECTION 3: Section 3.1 of the Agreement is hereby amended by the amounts provided herein and EXHIBIT B (Payment Provisions) is deleted in its entirety and replaced with Exhibit B-1.
3. All other terms and conditions of the Agreement not modified herein shall remain unchanged.

RFP# ACARC-015
BOS Agendas 3-10: MAY 20, 2014; 3-10: APRIL 28, 2015; 3-7: JANUARY 26, 2016; 3-10: MAY 2, 2017
Form #116-311 Revision Date: 01/13/2016

COUNTY OF RIVERSIDE
AMENDMENT NO.5 TO THE AGREEMENT
WITH
BROWN ARMSTRONG ACCOUNTANCY CORPORATION

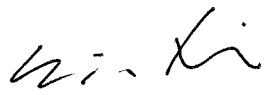
IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

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

By: 
Chuck Washington, Chairman
Board of Supervisors

Dated: JUN 12 2018

BROWN ARMSTRONG ACCOUNTANCY
CORPORATION

By: 

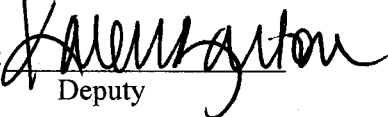
Name: Eric Xin

Title: Principal

Dated: 6-24-2018

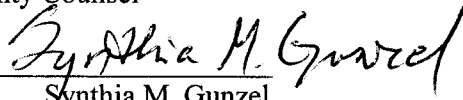
ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: 
Synthia M. Gunzel
Chief Deputy County Counsel

RFP# ACARC-015

BOS Agendas 3-10: MAY 20, 2014; 3-10: APRIL 28, 2015; 3-7: JANUARY 26, 2016; 3-10: MAY 2, 2017
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Exhibit B
ORIGINAL CONTRACT PAYMENT PROVISIONS

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
\$210,000.00	\$215,000.00	\$220,000.00	\$225,000.00	\$ 230,000.00

Fees (Including All Out of Pocket Expenses)

COUNTY OF RIVERSIDE
AMENDMENT NO.5 TO THE AGREEMENT
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Exhibit B-1
CUMMULATIVE AMENDED PAYMENT PROVISIONS

Audit Services Fees Related to FY 2013-2014 Financial Information	Audit Services Fees Related to FY 2014-2015 Financial Information	Audit Services Fees Related to FY 2015-2016 Financial Information	Audit Services Fees Related to FY 2016-2017 Financial Information	Audit Services Fees Related to FY 2017-2018 Financial Information
Year 1	Year 2	Year 3	Year 4	Year 5
\$222,050.00	\$255,810.00	\$257,070.00	\$272,340.00	\$ 306,110.00

Fees (Including All Out of Pocket Expenses)