

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



ITEM: 11.1
(ID # 13496)

MEETING DATE:
Tuesday, November 10, 2020

FROM: FLOOD CONTROL DISTRICT:

SUBJECT: FLOOD CONTROL DISTRICT: Approval of the Professional Services Agreement Between Riverside County Flood Control and Water Conservation District and Van Lant & Fankhanel, LLP for Auditing Services, Fiscal Years 20/21 - 24/25, All Districts. [\$147,300 - District Funds 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Professional Services Agreement ("Agreement") between the Riverside County Flood Control and Water Conservation District ("District") and Van Lant & Fankhanel, LLP ("Consultant") for Fiscal Years 20/21 through 24/25;
2. Authorize the Chairwoman of the Board to execute the Agreement on behalf of the District;
3. Authorize the District's General Manager-Chief Engineer to terminate the Agreement in accordance with the terms and conditions in the Agreement;
4. Direct the Clerk of the Board to return two (2) executed Agreements to the District.

ACTION:

Jason Uhley, GENERAL MGR-CHF FLD CNTRL ENG

10/28/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: November 10, 2020
xc: Flood

Kecia R. Harper
Clerk of the Board

By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$29,000	\$29,000	\$147,300	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: District Funds 100%			Budget Adjustment: No	
			For Fiscal Year: 20/21 – 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In accordance with the District Act, the District is required to have an annual audit performed on financial statements and prepare a Comprehensive Annual Financial Report at the end of each fiscal year. This Agreement sets forth the terms and conditions by which the Consultant will serve as the independent auditors for the District and perform the audit examination of the District's financial statements for fiscal years 19/20 through 24/25. The audit must 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).

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 entail no new fees, taxes or bonded indebtedness.

Additional Fiscal Information

Sufficient funding is available in the District's budget for Fiscal Year 20/21 and will be included in the recommended budget(s) for future Fiscal Years, as appropriate and necessary.

Contract History and Price Reasonableness

In accordance with the County of Riverside, California, Board of Supervisors, Policy A-18, a Request for Proposal (RFP) FCARC-00159 was prepared and sent to known vendors, as well as being posted on the Internet. All qualifying bids were evaluated based on pre-established criteria such as Scope of Work, certifications and qualifications, responsiveness to the RFP, feasibility and cost. Van Lant & Fankhanel, LLP, an independent Certified Public Accountant (CPA) firm, met the District's requirements and was the highest ranked respondent in overall scoring after evaluation of all of the proposals submitted for consideration in the RFP process.

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

The proposal prepared by Van Lant & Fankhanel, LLP is a competitive bid proposal submitted as the result of an RFP initiated by the District. After careful evaluation of the proposals submitted for consideration based upon the pre-established criteria, including cost, the proposal Van Lant & Fankhanel, LLP submitted establishes their CPA firm as a responsible bidder and represents the lowest cost responsive bid for the services outlined and specified in Exhibit A, Scope of Services. Sufficient funds are included in the District's Proposed Budget for Fiscal Year 20/21 and will be included in future budget years 21/22 through 24/25.

Funding Summary

Professional Auditing Services (Fiscal Year 20/21)	\$ 29,000
Professional Auditing Services (Fiscal Year 21/22)	\$ 29,000
Professional Auditing Services (Fiscal Year 22/23)	\$ 29,600
Professional Auditing Services (Fiscal Year 23/24)	\$ 29,600
Professional Auditing Services (Fiscal Year 24/25)	\$ 30,100
<hr/> Total Estimated District Cost	<hr/> \$ 147,300

SOURCE OF FUNDS: (Continued)

- 15100-947200-524560 Auditing and Accounting

ATTACHMENTS:

1. Professional Services Agreement

AK:blm
P8/234032



Scott Brukner 11/2/2020



Gregory V. Priarios, Director County Counsel 10/29/2020



Gregory V. Priarios, Director County Counsel 10/29/2020

PROFESSIONAL SERVICE AGREEMENT

for

AUDITING SERVICES

between

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

and

Van Lant & Fankhanel, LLP

TABLE OF CONTENTS

<u>SECTION HEADING</u>	<u>PAGE NUMBER</u>
1. Description of Services	3
2. Period of Performance	3
3. Compensation	3
4. Alteration or Changes to the Agreement	5
5. Termination.....	5
6. Ownership/Use of Contract Materials and Products	6
7. Conduct of Contractor.....	6
8. Inspection of Service: Quality Control/Assurance	7
9. Independent Contractor/Employment Eligibility.....	7
10. Subcontract for Work or Services.....	9
11. Disputes	9
12. Licensing and Permits	9
13. Use by Other Political Entities.....	10
14. Non-Discrimination	10
15. Records and Documents	10
16. Confidentiality	10
17. Administration/Contract Liaison	11
18. Notices	11
19. Force Majeure	12
20. EDD Reporting Requirements	12
21. Hold Harmless/Indemnification.....	12
22. Insurance	13
23. General	16
Attachment A - Scope of Service.....	20
Attachment B - Payment Provisions.....	22

This Agreement, made and entered into this 10TH day of November, 2020, by and between Van Lant & Fankhanel, LLP, a CPA Partnership (herein referred to as "CONTRACTOR"), and the RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic, (herein referred to as "DISTRICT"). The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Attachment A, Scope of Services, at the prices stated in Attachment B, Payment Provisions to the Agreement.

1.2 CONTRACTOR represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and DISTRICT relies upon this representation. CONTRACTOR shall perform to the satisfaction of DISTRICT 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 CONTRACTOR agrees it can properly perform this work at the prices stated in Attachment B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 Acceptance by DISTRICT of 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 June 30, 2025, 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 DISTRICT shall pay CONTRACTOR for services performed and expenses incurred in accordance with the terms of Attachment B, Payment Provisions. Total maximum payments by DISTRICT to CONTRACTOR shall not exceed One Hundred Forty-Seven Thousand Three Hundred Dollars (\$147,300) including all expenses. DISTRICT 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 Attachment B, DISTRICT 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 DISTRICT. DISTRICT requires written proof satisfactory to DISTRICT 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 DISTRICT. 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 DISTRICT and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to DISTRICT by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and DISTRICT shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by DISTRICT. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

RIVERSIDE COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Sunita Jain

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 FCARC-94620-003-0625; quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.

a) Invoices shall be rendered monthly in arrears.

3.4 DISTRICT obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of DISTRICT 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 DISTRICT 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,

DISTRICT 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 DISTRICT's General Manager-Chief Engineer and/or his designee is the only authorized DISTRICT 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 CONTRACTOR for additional payment related to this Agreement shall be made in writing by CONTRACTOR within 30 days of when CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to CONTRACTOR. If DISTRICT's General Manager-Chief Engineer decides that the facts provide sufficient justification, he may authorize additional payment to CONTRACTOR pursuant to the claim. Nothing in this section shall excuse CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

5. Termination

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

5.2 DISTRICT 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, DISTRICT may proceed with the work in any manner deemed proper by DISTRICT.

5.3 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 DISTRICT and deliver in the manner as directed by DISTRICT any materials, reports or other products, which, if the Agreement had been completed or continued, would have been required to be furnished to DISTRICT.

5.4 After termination, DISTRICT shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement.

5.5 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.

5.6 If the Agreement is federally or State funded, CONTRACTOR cannot be debarred from the System for Award Management (SAM). CONTRACTOR must notify DISTRICT immediately of a debarment. Reference: System for Award Management (SAM) at <https://www.sam.gov> for Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application, and Excluded Parties List System (EPLS)). Excluded Parties Listing System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

5.7 The rights and remedies of DISTRICT 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

CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by DISTRICT pursuant to this Agreement shall be the sole property of DISTRICT. The material, reports or products may be used by DISTRICT for any purpose that DISTRICT deems to be appropriate, including, but not limit to, duplication and/or distribution within DISTRICT 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 DISTRICT.

7. Conduct of Contractor

7.1 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. CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. CONTRACTOR agrees to inform DISTRICT of all CONTRACTOR's interests, if any, which are or may be perceived as incompatible with DISTRICT's interests.

7.2 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 CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 CONTRACTOR or its employees shall not offer gifts, gratuity, favors and entertainment directly or indirectly to DISTRICT 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 DISTRICT or other regulatory agencies at all times. CONTRACTOR shall provide adequate cooperation to any inspector or other DISTRICT representative to permit him/her to determine 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, DISTRICT shall have the right to require CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to DISTRICT. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected; DISTRICT shall have the right to: (1) require 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. DISTRICT may also terminate this Agreement for default and charge to CONTRACTOR any costs incurred by DISTRICT because of 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 DISTRICT representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to CONTRACTOR.

9. Independent Contractor/Employment Eligibility

9.1 CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of DISTRICT. It is expressly understood and agreed that CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which DISTRICT 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 DISTRICT harmless from any and all claims that may be made against DISTRICT 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 DISTRICT 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.

9.3 Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment or ineligibility.

9.4 CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services directly relative to this Agreement. CONTRACTOR shall screen all current Covered Individuals within sixty (60) days of execution of this Agreement to ensure that they have not become Ineligible Persons unless CONTRACTOR has performed such screening on same Covered Individuals under a separate agreement with DISTRICT within the past six (6) months. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify DISTRICT within five (5) business days after it becomes aware if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

9.5 CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with DISTRICT in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, DISTRICT business operations related to this Agreement.

9.6 CONTRACTOR shall notify DISTRICT within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred or is identified as such after being sanctioned. Such individual or entity shall be promptly removed from participating in any activity associated with this Agreement.

10. Subcontract for Work or Services

No contract shall be made by CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of DISTRICT; but this provision shall not require the approval of contracts of employment between 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 DISTRICT's Compliance Contract Officer who shall furnish the decision in writing. The decision of DISTRICT'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. 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. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

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 DISTRICT. 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. Use By Other Political Entities

CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit. It is understood that

other entities shall make purchases in their own name, make direct payment, and be liable directly to CONTRACTOR; and DISTRICT shall in no way be responsible to CONTRACTOR for other entities' purchases.

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 DISTRICT agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by DISTRICT. CONTRACTOR shall provide to DISTRICT reports and information related to this Agreement as requested by DISTRICT.

16. Confidentiality

16.1 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; DISTRICT information or data which is not subject to public disclosure; DISTRICT operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 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. CONTRACTOR shall not use such information for any purpose other than carrying out CONTRACTOR's obligations under this Agreement. CONTRACTOR shall promptly transmit to DISTRICT all third-party requests for disclosure of such information. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or

authorized in advance in writing by DISTRICT, any such information to anyone other than DISTRICT. 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

DISTRICT General Manager-Chief Engineer, or designee, shall administer this Agreement on behalf of DISTRICT and 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:

DISTRICT

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Sunita Jain

CONTRACTOR

VAN LANT & FANKHANEL, LLP
25901 Kellogg Street
Loma Linda, CA 92354
Attn: Greg Fankhanel

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, DISTRICT may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. CONTRACTOR agrees to furnish the required data and certifications to DISTRICT 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 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 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.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless DISTRICT, 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 the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.

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 DISTRICT; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR indemnification to Indemnitees as set forth herein.

21.3 CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to DISTRICT the appropriate form of dismissal relieving DISTRICT 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 CONTRACTOR'S obligation to indemnify or hold DISTRICT 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, DISTRICT 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 CONTRACTOR has employees as defined by the State of California, 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 DISTRICT as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 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 owned, 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 DISTRICT as Additional Insureds.

D. Professional Liability

Contractor shall maintain Professional Liability Insurance providing coverage for Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If 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 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 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) 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 DISTRICT, and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with DISTRICT, 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 certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this 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 or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until DISTRICT has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all 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 CONTRACTOR's insurance shall be construed as primary insurance, and DISTRICT's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

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;

DISTRICT 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 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 DISTRICT.

8) CONTRACTOR 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.

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 DISTRICT. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by DISTRICT 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 DISTRICT 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 DISTRICT from enforcement of the terms of this Agreement.

23.3 In the event CONTRACTOR receives payment under this Agreement, which is later disallowed by DISTRICT for nonconformance with the terms of the Agreement, CONTRACTOR shall promptly refund the disallowed amount to DISTRICT on request; or at its option DISTRICT may offset the amount disallowed from any payment due to 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. CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to DISTRICT pursuant to this Agreement, free from all liens, claims or encumbrances.

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

23.7 DISTRICT agrees to cooperate with CONTRACTOR in CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing CONTRACTOR with reasonable facilities and timely access to DISTRICT 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 DISTRICT policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, 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.

23.12 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.

//

//

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on
November 10, 2020
(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

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

By J. Uhley
JASON E. UHLEY
General Manager-Chief Engineer

By Karen S. Spiegel
KAREN SPIEGEL, Chairwoman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER
Clerk of the Board

By Synthia M. Gunzel
SYNTHIA M. GUNZEL
Chief Deputy County Counsel

By [Signature]
Deputy

Professional Services Agreement: Van Lant & Fankhanel, LLP
Auditing Services
10/09/20
AK:blm
P8/234107

Van Lant & Fankhanel, LLP



GREG FANKHANEL
Managing Partner

Professional Services Agreement: Van Lant & Fankhanel, LLP
Auditing Services
10/09/20
AK:blm
P8/234107

ATTACHMENT "A"
SCOPE OF SERVICES

- 3.1 To support the District with auditing services, the Consultant is to examine the District's financial records in accordance with generally accepted auditing standards as defined and described in:
- Generally Accepted Accounting Principles (GAAP)
 - Governmental Accounting Standards Board (GASB)
 - Governmental Auditing Standards issued by the Comptroller General of the United States
 - Financial Accounting Standards Board (FASB)
- 3.1.1 Audit services must include an examination for compliance with acceptable directives of laws, regulations and contracts or grant documents.
- 3.1.2 Evaluation of the District's internal controls and preparation of the District's CAFR.
- 3.2 The Consultant shall determine whether:
- 3.2.1 The financial statements of the District present fairly its financial position and the results of financial operations are in accordance with generally accepted accounting principles;
- 3.2.2 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;
- 3.2.3 The District has complied with applicable laws and regulations that may have a material impact on the financial statements.
- 3.3 The Consultant must:
- 3.3.1 Provide an audit checklist on or by June 1 prior to the end of the audited fiscal year.
- 3.3.2 Begin audit work on an agreed upon date prior to or at the beginning of the fourth week of August of each applicable year.
- 3.3.3 Advise on implementation of new and reviewed GASB pronouncements.
- 3.3.4 Review and comment on documents contained in all sections (introductory, financial and statistical) of the CAFR provided by the District financial staff.
- 3.3.5 Issue a financial opinion on the District's financial statements no later than the first week in November of each applicable year.

3.4 **REPORTING REQUIREMENTS/DELIVERABLES**

Based on the audit work performed, the Consultant must issue the following reports:

- 3.4.1 A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States.
- 3.4.2 A report on the internal control structure based on the Consultant's understanding of the control structure and assessment of control risk. The Consultant shall communicate all reportable conditions found during the audit in the report on internal controls. Non-reportable conditions discovered by the Consultant shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls.
- 3.4.3 A report on compliance based on the audit of the financial statements performed in accordance with Government Auditing Standards. The Consultant shall communicate all instances of non-compliance that could have a material effect on the general-purpose financial statements in the report on compliance.
- 3.4.4 A report disclosing the status of findings and recommendations from previous audits that have remained uncorrected should be included.
- 3.4.5 Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Chief Financial Officer, the Assistant Financial Officer and any other member of the District that is required.
- 3.4.6 Consultant must have drafts of the audit reports and recommendations to the District management available for review by the second week of November.

3.5 **ASSISTANCE TO BE PROVIDED TO THE CONSULTANT**

The District represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts and all bank accounts for all months reconciled no later than the third week of August of each applicable year, immediately following the statement date.

- 3.5.1 District staff will prepare the following information on forms acceptable to the Consultant:
 - 3.5.1.1 A final trial balance of each fund;
 - 3.5.1.2 A final trial balance of each subsidiary ledger;
 - 3.5.1.3 A schedule of District revenues, expenditures and beginning and ending balance by fund;
 - 3.5.1.4 A copy of the final budget presented to the Board for audit period, the original budget ordinance for the audit period, and all amendments to the budget ordinance;

- 3.5.1.5 A copy of all capital projects and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
 - 3.5.1.6 A schedule of insurance in force during the year and of insurance expense for the year;
 - 3.5.1.7 A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
 - 3.5.1.8 A schedule of all capital asset dispositions during the period;
 - 3.5.1.9 A schedule of accounts payable at statement date;
 - 3.5.1.10 Copies of all contracts with governmental grantor or grantee agencies;
 - 3.5.1.11 Copies of all other contracts in force at statement date of a material amount; and
 - 3.5.1.12 Such reasonable additional schedules as may be requested for financial audits.
- 3.5.2 District staff and responsible management personnel will be available during the audit to assist the Consultant by providing information and explanation.

ATTACHMENT "B"
COST SUMMARY

Fiscal Years 19/20 to 23/24

Fiscal Year 2019-2020

<u>List Level of Position/ Title</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
1. Partners	120	180	\$ 21,600
2. Audit Seniors	130	100	\$ 13,000
3. Estimated Discount			<u>\$ (5,600)</u>
Totals:	240		<u>\$ 29,000</u>

Fiscal Year 2020-2021

<u>List Level of Position/ Title</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
1. Partners	120	180	\$ 21,600
2. Audit Seniors	120	100	\$ 12,000
3. Estimated Discount			<u>\$ (4,600)</u>
Totals:	240		<u>\$ 29,000</u>

Fiscal Year 2021-2022

<u>List Level of Position/ Title</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
1. Partners	120	180	\$ 21,600
2. Audit Seniors	120	100	\$ 12,000
3. Estimated Discount			<u>\$ (4,000)</u>
Totals:	240		<u>\$ 29,600</u>

Fiscal Year 2022-2023

<u>List Level of Position/ Title</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
1. Partners	120	180	\$ 21,600
2. Audit Seniors	120	100	\$ 12,000
3. Estimated Discount			<u>\$ (4,000)</u>
Totals:	240		<u>\$ 29,600</u>

Fiscal Year 2023-2024

<u>List Level of Position/ Title</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Amount</u>
1. Partners	120	180	\$ 21,600
2. Audit Seniors	120	100	\$ 12,000
3. Estimated Discount			<u>\$ (3,500)</u>
Totals	240		<u><u>\$ 30,100</u></u>

Grand Total and Not to Exceed: \$ 147,300