

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



ITEM: 3.4
(ID # 19161)

MEETING DATE:

Tuesday, June 07, 2022

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approve the Amendment No. 2 to the Service Agreement for Grant Administration Services for the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Recovery Plan Act (ARPA) with the Kahlen Group, Inc. in the amount of \$534,560 without seeking competitive bids for FY 22/23 through June 30, 2023, All Districts. [Total Cost: \$534,560, up to \$53,456 in additional compensation – Funding 100% ARPA Act]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Amendment No. 2 to the Service Agreement for Grant Administration Services for the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Recovery Plan Act (ARPA) with the Kahlen Group, Inc. in the amount of \$534,560 without seeking competitive bids for FY 22/23 through June 30, 2023 and authorize the Chair of the Board to sign the amendment on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved as to form by County Counsel to a) sign amendments that make modifications to the scope of services that stay within the intent of the agreement; and b) sign amendments to the compensation provisions that do not exceed the sum-total of ten percent (10%) of the agreement.

ACTION: Policy

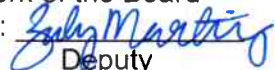

Rania Odenbaugh, Director of Constituent Services 6/1/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez 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: June 7, 2022
xc: E.O.

Kecia R. Harper
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	\$0	\$534,560	\$534,560	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% American Rescue Plan Act (ARPA)			Budget Adjustment: No	
			For Fiscal Year: 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside received \$487 million in CARES Act funding from the U.S. Treasury to cover expenses necessary to respond to the ongoing public health and economic emergency related to the COVID-19 pandemic. CARES Act funding was used to cover necessary Public Health expenses, expenses that were not accounted for in the budget and were incurred between March 1, 2020, and through December 30, 2021. Appropriate and eligible disbursement of the CARES funding require compliance with the Department of Treasury issued guidelines as well as the Code of Federal Regulations 2 CFR 200.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. The ARPA funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Riverside County’s share of the American Rescue Plan funding is \$479 million, of which the first installment of \$239,937,299 was received on May 10, 2021, and the second installment should be received shortly. Funds must be obligated by December 31, 2024 and expended by December 31, 2026.

To ensure recipients understanding of the eligibility criteria, the Department of Treasury issued Interim Final Rule which established reporting, eligibility, tracking and audit compliance requirements.

The Kahlen Group, Inc. is a Southern California based civil engineering firm specializing in preparation and processing of government grants and low-interest loans funding applications, funding compliance, eligibility determinations, reimbursement requests, progress reporting, financial reporting, and audits oversight. Furthermore, TKG is

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

familiar with the American Rescue Plan Act (ARPA) compliance requirements and have altered the CARES existing processes to fit the ARPA funding administration thus, eliminating a learning curve and the need to establish new processes. TKG will continue to support the CARES on-going single audits as well as the Department of Treasury and Department of Finance independent close-out audits.

Impact on Residents and Businesses

It is in the best interest of the County to capitalize on The Kahlen Group, Inc. experience with the CARES and ARPA administration. There would not be a “learning curve” for The Kahlen Group, Inc. due to their experience and understanding of the ARPA and CARES funding disbursements and audit requirements (OMB-A-133 Circular, Single Audit and Agency Audits) that has been developed over the last two years.

Additional Fiscal Information

The full cost of the Kahlen Group, Inc agreement of FY22/23 is \$534,560. The \$534,560 is eligible for full reimbursement under the ARPA Act.

Position	# of Positions	# of Hours	Hourly Rate	Weekly Rate	Annual Cost
Project Manager	1	8	\$115	\$920	\$47,840
Senior Analyst	1	20	\$92	\$1,840	\$95,680
Analyst	1	40	\$92	\$3,680	\$191,360
Analyst	1	20	\$92	\$1,840	\$95,680
Clerk	1	40	\$50	\$2,000	\$104,000
Total Annual Contract					\$534,560

Contract History and Price Reasonableness

On May 26, 2020, and under the County of Riverside Emergency Procurement approval, the County of Riverside entered into an agreement with The Kahlen Group, Inc. in the amount of \$427,080, to provide grants administrative services to ensure compliance, proper eligibility determination and full maximization of the CARES funding. This agreement was ratified and approved by the Board of Supervisors on June 29, 2021 (Agenda Item # 3.8). On the same Agenda Item, the Board of Supervisors approved Amendment No. 1 to the agreement extending the period of performance through June 30, 2022, and increasing the agreement’s maximum amount to \$834,760.

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

As of May 27, 2020, The Kahlen Group prepared the CARES Funding Maximization Strategy, compiled and determined eligibility for 11 County-wide claims, supported (and continues to support) various audits, prepared and submitted quarterly Federal and State progress reports, prepared eligibility forms, reviewed eligibility determinations, created an internal CARES funding pre-approval process, prepared CARES capital projects justifications, prepared administration workflows and documented the County of Riverside CARES administration processes and procedures, for internal guidance and audit purposes.

Extending the current agreement with the Kahlen Group, Inc. would ensure continuous uninterrupted compliance with the CARES and ARPA Act requirements and therefore secure the County's eligibility for CARES and ARPA fund disbursements.

ATTACHMENTS:

ATTACHMENT A: SSJ – The Kahlen Group, Inc.

ATTACHMENT B: Amendment No. 2 to the Service Agreement with The Kahlen Group, Inc.


Suzanna Hinkley, Assistant Director of Purchasing and Fleet Services

5/28/2022


Rania Odenbaugh, Director of Constituent Services

6/1/2022

AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT
FOR GRANT ADMINISTRATION SERVICES BETWEEN COUNTY OF RIVERSIDE
AND THE KAHLEN GROUP, INC

Original Period of Performance: 05/26/2020 through 06/30/2022
Period of Performance Extended To: 06/30/2023
Effective Date of Amendment No. 6: 07/01/2022
Original Annual Maximum Payment Amount: \$427,080 (05/26/2020 through 6/30/2021)
\$834,760 (06/29/2021 through 06/30/2022)

Amended Annual Maximum Payment Amount: \$534,560 (07/01/2022 through 06/30/2023)
Contract ID: EOARC-PSA-0002061

This AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT FOR GRANT ADMINISTRATION SERVICES BETWEEN THE COUNTY OF RIVERSIDE AND THE KAHLEN GROUP, INC. (herein referred to as "Amendment No. 2") is made and entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY") and THE KAHLEN GROUP, INC., (herein referred to as "CONTRACTOR").

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Personal Service Agreement for Grant Administration Services, on May 26, 2020 and ratified and approved June 29, 2021; Agenda Item 3.8, (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Amendment No. 1 to the Agreement, approved June 29, 2021; Agenda Item 3.8, to extend the period of performance through June 30, 2022 and to set the maximum annual payment amount at \$834,760 for the period of June 29, 2021 through June 30, 2022; and

WHEREAS, COUNTY and CONTRACTOR now desire to amend the Agreement to extend the period of performance through June 30, 2023.

NOW THEREFORE, the parties agree as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated herein by reference.
2. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance of the Agreement is hereby amended to extend the period of performance for one year commencing on July 1, 2022 and continuing in effect through June 30, 2023, as follows:

"This Contract shall be effective from May 26, 2020 (the "Effective Date") through June 30, 2023, unless terminated sooner as provided herein."

3. **Section 3. Compensation.** Delete the second sentence in its entirety and replace with the following:

JUN 07 2022 3.4

AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT
FOR GRANT ADMINISTRATION SERVICES BETWEEN COUNTY OF RIVERSIDE
AND THE KAHLEN GROUP, INC

Maximum payments by COUNTY to CONTRACTOR shall not exceed Five Hundred Thirty-Four Thousand Five Hundred Sixty (\$534,560) Dollars including all expenses through June 30, 2023

4. **Exhibit A (Scope of Service):** Add the following to the end of this section with the attached Exhibit A-2.
5. **Exhibit B-1 (Payment Provisions)** is deleted in its entirety and replaced with the attached Exhibit B-2.
6. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
7. **Effective Date.** This Amendment No. 2 shall be effective July 1, 2022.
8. **Electronic Signatures.** This Amendment No. 2 may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party to this Amendment No. 2 agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Amendment No. 2. The parties further agree that the electronic signatures of the parties included in this Amendment No. 2 are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Signature Page Follows]

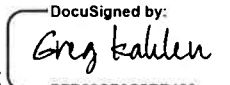
AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT
FOR GRANT ADMINISTRATION SERVICES BETWEEN COUNTY OF RIVERSIDE
AND THE KAHLEN GROUP, INC

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment No. 2.

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

THE KAHLEN GROUP, INC., a
California corporation

By: 
Jeff Hewitt, Chair
of the Board of Supervisors

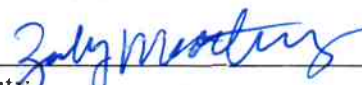
By: 
BFD33CE0C5DE400
Greg Kahlen
President

Dated: JUN 07 2022

Dated: 5/25/2022

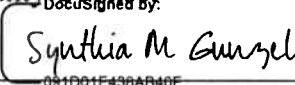
ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

County Counsel

By: 
091D01E439AD40E
Synthia M. Gunzel
Chief Deputy County Counsel

AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT
FOR GRANT ADMINISTRATION SERVICES BETWEEN COUNTY OF RIVERSIDE
AND THE KAHLEN GROUP, INC

EXHIBIT A-2
SCOPE OF SERVICES

CONTRACTOR will assist the Riverside County Executive Office team to perform the following:

- 1.1 Continue to assist the County with CARES Act closeout and audits, as necessary. The deadline for incurring costs for CARES Act funds was December 31, 2021.
- 1.2 Assist the County with administration and distribution of funding from the U.S. Treasury for the American Recovery Plan Act (ARPA) in accordance with directives from Treasury. The latest guideline from Treasury is the Coronavirus State and Local Fiscal Recovery Funds Final Rule received January 6, 2022.
- 1.3 Compile accurate and complete reimbursement requests in accordance with the ARPA funding agreement regarding invoicing, eligibility, and frequency requirements.
- 1.4 Compile accurate and complete progress, completion, financial, and funding reports and Final Budget Approval submittals in accordance with the ARPA reporting frequency and requirements.
- 1.5 Ensure the County's compliance with the agreement terms and conditions, including, if necessary, American Iron and Steel and Disadvantaged Business Enterprise requirements.
- 1.6 Provide summaries and analysis of compliance guidelines and any new funding legislation.
- 1.7 Provide monthly written and oral progress reports and financial updates to the Executive Office Senior Executive Staff. Written and oral reports will be provided by the TKG Project Manager, Greg Kahlen, or Lead Analyst, Michelle Mayorga.
- 1.8 Coordinate and participate in funding meetings as necessary to implement funding guidance and compliance.
- 1.9 Other tasks assigned by the Riverside County Executive Office staff.

AMENDMENT NO. 2 TO THE PERSONAL SERVICE AGREEMENT
FOR GRANT ADMINISTRATION SERVICES BETWEEN COUNTY OF RIVERSIDE
AND THE KAHLEN GROUP, INC

**EXHIBIT B-2
PAYMENT PROVISIONS**

Position	# of Positions	# of Hours	Hourly Rate	Weekly Rate	1 Year - 52 weeks Total
Project Manager – Greg Kahlen	1	8	\$115	\$920	\$47,840
Senior Analyst – Michelle Mayorga	1	20	\$92	\$1,840	\$95,680
Analyst – Liliana Silva	1	40	\$92	\$3,680	\$191,360
Analyst – William Tharalson	1	20	\$92	\$1,840	\$95,680
Clerical – To be determined	1	40	\$50	\$2,000	\$104,000
Total Annual Contract					\$534,560



Use this form to submit a single or sole source requisition for review by your Buyer and/or Procurement Contract Specialist. All procurements valued \$5,000 or more must seek competitive bids from a minimum of three suppliers, or the expectation that three or more suppliers will respond, or be justified by a Single/Sole Source. All purchases exceeding \$50,000 require a formal public bid. Procurement's may not be artificially segregated to lesser dollar amounts for the purpose of bypassing this requirement.

Sole/Single Source service requests that are greater than \$50,000 require additional Board of Supervisors approval.

Supplier Details

Vendor The Kahlen Group
Fulfillment Address SCorp - Services: (preferred)
 1315 Corona Pte Ct Ste 202
 Corona, California 92879 United States
Vendor Phone +1 951-520-1331

Distribution Method

The system will distribute purchase orders using the method(s) indicated below:

Check this box to customize order distribution information.

Contract

Background Information

Please indicate if this is a single or sole source below

Single Source

Have you previously requested and received approval for a sole/single source request for this vendor for your department?

Yes

If selected "yes", please provide the approved SSJ# below

SSJ# 22-010

If selected "yes", was the request approved for a different project?

No

Purchase Details

1. Supply/Service being requested:

CARES & ARPA grants administration services

2. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

This single sourcing justification is foundational on the nature and the timing of the effort associated with the administration of American Rescue Plan Act funding. In May 17, 2021, the County received \$239M in American Rescue Plan Act funding for the continuation of the COVID-19 mitigation efforts. During Fiscal Years 2021 and 2022, The Kahlen Group has established solid working relationships with the Executive Office, County departments, Single Auditors and Agency auditors as they supported the administration and compliance of the CARES funding received in April of 2020 as well as American Rescue Plan Act funding. They already have an understating of the internal process for grants administration and expectations. The Kahlen Group is familiar with both CARES and ARPA Guidelines, and now has multiple years of experience in

Current Year Cost

6. Identify all costs for this requested purchase.

You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained.

Describe all current fiscal year costs associated with this procurement in the box below. Insert all one time costs associated with this project in the table below.

FY22/23
 One Time Cost
 Administration Services: \$534,560

applying eligibility, compliance, and reporting requirements to Riverside County needs. In addition, their main office is located in Corona which ensures their immediate availability for emergency meetings and / or to support with deadlines. Staff is proposing a contract amendment for the Kahlen Group for their continuation of the administration and support of the ARPA funding administration (funding expires December of 2026).

3. Reasons why my department requires these unique features and what benefit will accrue to the county:

TKG staff has over 40 years of experience in grants funding administration including but not limited to; eligibility determination, progress reporting, reimbursement requests, compliance terms and conditions and various audits oversight. TKG also has substantial experience in working on Drinking Water State Revolving Fund (DWSRF) & Clean Water State Revolving Fund (CWSRF), both of which are referenced as key compliance criteria for the infrastructure ARPA funding. ARPA guidelines include funding for infrastructure projects that align with EPA guidelines. TKG has extensive experience in working with the SWRCB on alignment of water, wastewater, and reclaimed water projects to conform to Safe Drinking Water and Clean Water SRF programs.

Over the last two years, TKG staff has participated in both the development of the CARES and ARPA administration process including the reimbursement requests compilation and validation, compliance workflows, progress reporting and audits oversight. TKG also developed familiarity with County departments, related fiscal staff, County processes and mastered the process of validation of county reports (Simpler & Peoplesoft) for purposes of reimbursement requests validation and audits preparation. There would not be a "learning curve" for TKG in coordinating with County staff for ARPA funding disbursements and audit requirements (OMB-A-133 Circular, Single Audit and Agency Audits) due to the experience and understanding that they have developed over the last two years and which they will continue to apply to the ARPA funding administration process.

4. Period of Performance 07/01/2022

From:

Period of Performance To: 06/30/2023

Is this an annually renewable contract or is it fixed term?

Fixed Term

5. Price Reasonableness:

The Kahlen Group fee schedule reflects \$92 per hour for an Analyst and \$115 per hour for a Project Manager. The hourly rates for the Analyst and the Project Manager appear to be reasonably competitive as they are below the rates established by other comparable firms when this agreement was established even with the slight increase over last year proportionally due to adjustments in our current economy. For Example, John Robinson Consulting fee schedule reflected \$140 per hour for a Project Manager and \$125 per hour for an Analyst. Other Civil Engineering firms (offering the same services/ scope) such as Dudek, Psomas and HOR charge an averaged of \$200 per hour for a Project Manager and \$120 per hour for an Analyst when this agreement was established. The above referenced firms primary area of specialty is Civil Engineering and while they do offer grants administration services, it does not appear that they have the length and extent of experience to that of TKG. In summary, The Kahlen Group's cost to perform the scope of work was the best rate offered to the County as well as bringing in another

Insert all current fiscal year costs in the table below. Label the 'description' as the item that is being purchased.

Current FY Costs

Description	Price
Administration Costs FY22/23	534,560.00

Enter all additional FY costs in the table below .

Only enter one fiscal year cost per line and identify the fiscal year that it pertains to. Fiscal year is from 7/1/00 to 6/30/00.. Example : FY 18/19 \$200

FY

FY

FY

FY

FY

Additional FY Cost

Describe all additional costs associated with this procurement in the box below. Include the dollar amounts for subsequent fiscal years if it differs from above.

None.

Current Year Cost Total: 534,560.00

consultant would reduce efficiencies and delay cost recovery of ARPA funding.

Projected Board of Supervisor 6/7/2022

Date (if applicable):

Commodity Code 96258

Supporting Documentation

If this request is for professional services, attach the service agreement to this sole source request. The Purchasing Agent, or designee, is the signing authority for agreements unless the service is exempted by Ordinance 459, Board delegated authority or by State law.

Additional supporting documentation includes:

- Previously approved SSJ's
- other

For all other requests, attach the vendor's cost proposal

Internal Attachments

Purchasing Approval

Approved by	Date Approved	Sole Source Number	Approval Conditions/Comments
This section to be filled out by Purchasing Management only upon approval. Suzanna Hinckley	5/26/2022		

Total 534,560.00