

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



ITEM: 3.56
(ID # 21810)

MEETING DATE:

Tuesday, May 23, 2023

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approve the Amendment No. 3 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 \$620,576 without seeking competitive bids for FY 23/24 through June 30, 2024, All Districts. [Total Cost: \$620,576, up to \$62,057 in additional compensation – Funding 100% ARPA]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Amendment No. 3 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 \$620,576 without seeking competitive bids for FY 23/24 through June 30, 2024 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 Amendment.

ACTION:Policy

Juan C. Perez, Chief Operating Officer

5/18/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: May 23, 2023
xc: E.O.

Kimberly A. Rector
Clerk of the Board

By:
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$620,576	\$620,576	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA)			Budget Adjustment: No	
			For Fiscal Year: 23/24	

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 which the County received in two installments, each in the amount of \$239,937,299. 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 a 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 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

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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 FY23/24 is \$620,576. The \$620,576 is eligible for full reimbursement under the ARPA Act.

Position	# of Positions	# of Hours	Hourly Rate	Weekly Rate	Annual Cost
Project Manager	1	8	\$121	\$968	\$50,336
Analyst II	1	20	\$97	\$1,940	\$100,880
Analyst II	1	40	\$97	\$3,880	\$201,760
Analyst II	1	25	\$97	\$2,425	\$126,100
Analyst I	1	25	\$75	\$1,875	\$97,500
Analyst I	1	10	\$75	\$750	\$39,000
Sub-consultant	1	50	\$100	-	\$5,000
Total Annual Contract					\$620,576

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. On June 7, 2022, the Board of Supervisors approved Amendment No. 2 to the agreement (Agenda Item 3.4) extending the period of performance through June 30, 2023 in the amount of \$534,560.

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Extending the current agreement with the Kahlen Group, Inc. would ensure continuous uninterrupted compliance with ARPA Act requirements and therefore secure the County's eligibility for ARPA fund disbursements, as well as continuity for any remaining CARES audits. The Kahlen Group has successfully assisted the County to date in the various administrative procedures associated with the disbursement of these Federal funds including eligibility determination, reporting documentation and filing, audit assistance services, establishing compliance procedures and project files, and expenditure and schedule monitoring.

ATTACHMENTS:

ATTACHMENT A: SSJ – The Kahlen Group, Inc.

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

Rania Odenbaugh
Rania Odenbaugh, Director of Constituent Services

5/15/2023

Meghan Hahn
Meghan Hahn, Deputy Director of Procurement

5/3/2023

COUNTY OF RIVERSIDE
AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICE AGREEMENT
WITH
THE KAHLEN GROUP, INC

Original Contract Term:	May 26, 2020 through June 30, 2023
Amended Contract Term:	July 1, 2023 through June 30, 2024
Effective Date of Amendment:	July 1, 2023
Original Maximum Contract Amount:	\$1,369,320
Amended Annual Maximum Contract Amount:	\$620,576
Contract ID:	EOARC-PSA-0002061

This AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICE AGREEMENT FOR GRANT ADMINISTRATION SERVICES (“Amendment No. 3”), dated as of July 1, 2023, is entered into by and between the County of Riverside, a political subdivision of the State of California (“COUNTY”), and The Kahlen Group, Inc., a California corporation (“CONTRACTOR”), sometimes collectively referred to as the “Parties”.

RECITALS

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional 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 entered into that certain Amendment No. 2 to the Agreement, approved June 7, 2022, Agenda Item 3.4, to extend the period of performance through June 30, 2023 and to set the maximum annual payment amount at \$534,560 for the period of July 1, 2022 through June 30, 2023; and

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement for an additional one (1) year term.

NOW, THEREFORE, in consideration of the mutual promises contained hereafter, COUNTY and CONTRACTOR agree to amend the Agreement according to the terms and in the manner set forth herein:

1. Period of Performance. The first sentence of Section 2.1 of Agreement is hereby amended to extend the period of performance for one year commencing on July 1, 2023 and continuing in effect through June 30, 2024, as follows:

This Agreement shall be effective from May 26, 2020 (the “Effective Date”) through June 30, 2024, unless terminated earlier.

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

Form #116-311 Revision Date: 01/13/2016

County of Riverside Purchasing and Fleet Services
3450 14th Street, Riverside, CA 92501
(951) 955-4937

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WITH
THE KAHLEN GROUP, INC

Maximum payments by COUNTY to CONTRACTOR shall not exceed Six Hundred Twenty Thousand Five Hundred Seventy-Six (\$620,576) Dollars including all expenses through June 30, 2024.

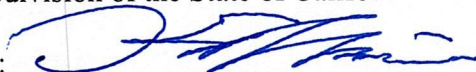
3. Exhibit A (Scope of Service): Add the following to the end of this section with the attached Exhibit A-3.
4. Exhibit B-3 (Payment Provisions) is deleted in its entirety and replaced with the attached Exhibit B-3.
5. Capitalized Terms/Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Agreement, as heretofore amended. The provisions of this Amendment No. 3 shall prevail over any inconsistency or conflicting provisions of the Agreement, as heretofore amended, and shall supplement the remaining provisions thereof.
6. Miscellaneous. Except as amended or modified herein, all the terms of the Agreement shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in this Amendment No. 3 and the Agreement and each and all of their respective provisions. Subject to the provisions of the Agreement as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this Amendment No. 3 or the Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement and all such other provisions shall remain in full force and effect. The language in all parts of the Agreement shall be construed according to its normal and usual meaning and not strictly for or against either COUNTY or CONTRACTOR.
7. Effective Date. This Amendment No. 3 shall become effective July 1, 2023.
8. Electronic Signatures. This Amendment No. 3 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. 3 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. 3. The parties further agree that the electronic signatures of the parties included in this Amendment No. 1 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

COUNTY OF RIVERSIDE
AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICE AGREEMENT
WITH
THE KAHLER GROUP, INC

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.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment No.3.

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

By: 
Kevin Jeffries, Chair
Board of Supervisors

Dated: 5/23/23


THE KAHLER GROUP, INC
a California corporation

By: Greg Kahlen
Greg Kahlen,
President

Dated: May 9, 2023

APPROVED AS TO FORM:

Minh C, Tran
County Counsel

By: 
Katherine Wilkins,
Deputy County Counsel

Dated: _____

ATTEST
KIMBERLY A. RECTOR, Clerk
By: 
DEPUTY

COUNTY OF RIVERSIDE
AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICE AGREEMENT
WITH
THE KAHLEN GROUP, INC

**EXHIBIT A-3
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.

ATTEST:
KIMBERLY A. REGATOR, CLERK
BY
DEPUTY

COUNTY OF RIVERSIDE
 AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICE AGREEMENT
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**EXHIBIT B-3
 PAYMENT PROVISIONS**

Position	# of Positions	# of Hours	Hourly Rate	Weekly Rate	1 Year - 52 weeks Total
Project Manager – Greg Kahlen	1	8	\$121	\$968	\$50,336
Analyst 2 – Michelle Mayorga	1	20	\$97	\$1,940	\$100,880
Analyst 2 – Liliana Silva	1	40	\$97	\$3,880	\$201,760
Analyst 2 – William Tharalson	1	25	\$97	\$2,425	\$126,100
Analyst 1 – Morena Peters	1	25	\$75	\$1,875	\$97,500
Analyst 1 – Allyson Neas	1	10	\$75	\$750	\$39,000
Subconsultant – Angie Johnson	1	50	\$100	–	\$5,000
Total Annual Contract					\$620,576

6. Unique features of the supply/service being requested from this supplier. *(If this sole source request is due to proprietary software or machinery, or hardware, provide a supporting letter from the manufacturer. If this is a single source request provide an explanation of how this provides the best value for the County by selecting this vendor.)*

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, 2022, and 2023, The Kahlen Group (TKG) 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 have multiple years of experience in applying eligibility, compliance, and reporting requirements to Riverside County needs. In additional, their main office is located within the county in the city of 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).

7. Reasons why my department requires these unique features from the vendor 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 three 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 three years and which they will continue to apply to the ARPA funding administration process.

8. Period of Performance: From: 7/1/2023 to 6/30/2024
(total number of years)

Is this an annually renewable contract? No Yes
Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

9. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. 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. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY24	Total
One-time Costs:		
Grant Administration Services	\$620,576.00	\$620,576.00
Total Costs	\$620,576.00	\$620,576.00

Note: Insert additional rows as needed

10. Price Reasonableness: (Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)

The Kahlen Group fee schedule reflects \$97 per hour for an Analyst and \$121 per hour for a Project Manager. The hourly rates for the Analyst and the Project Manager appear to be reasonably competitive as they continue to be below the rates established by other comparable firms when this agreement was established even with the roughly 5% increase over the last year proportionally due to adjustments in our current economy. For Example, Dudek's fee schedule reflects \$275 per hour for a Project Manager and \$185 per hour for a Support Analyst/Engineer. Other Civil Engineering firms (offering the same services/ scope) such as Psomas, Mead & Hunt, and HOR currently charge an average of over \$200 per hour for a Project Manager and an average of over \$120 per hour for other support staff such as Analysts, Engineers, and Editors. 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 continues to be the best rate offered to the County as well as bringing in another consultant would reduce efficiencies and delay cost recovery of ARPA funding.

11. Projected Board of Supervisor Date (if applicable): 5/9/2023
 (Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

 Department Head Signature
 (or designee) Rania Odenbaugh Print Name 4/26/23 Date

 The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Condition/s:

Not to exceed:

One-time \$ 620,576

Annual Amount \$ _____ / per fiscal year through _____ (date)
(If Annual Amount Varies each FY)

FY _____ : \$ _____
FY _____ : \$ _____
FY _____ : \$ _____
FY _____ : \$ _____
FY _____ : \$ _____

Meghan Hahn
Purchasing Agent

4/27/23
Date

23-183
Approval Number
(Reference on Purchasing Documents)