



Board Agenda Item 44

DATE: October 9, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White
Department of Public Works & Planning

SUBJECT: Restated Agreement with Hudson Henderson & Co., Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Restated Agreement to Purchasing Agreement P-15-175-C with Hudson Henderson & Co., Inc. for the preparation of annual financial reports for 33 Special Districts extending the term by one-year from May 7, 2019 to May 6, 2020 and increasing the maximum by \$55,100 to a total of \$155,000.

Approval of the recommended action will increase the term and maximum compensation for the preparation of annual financial reports for 33 Special Districts by Hudson Henderson & Co., Inc. The extension and increase are necessary due additional services being provided, which exceeds the Purchasing Manager's limit of \$100,000. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended action, the preparation of annual financial reports for 33 Special Districts will not be completed and the County will not be able to provide the annual reports as required, per California Government Code, sections 53890-53897.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum cost of the recommended agreement is \$155,000, with an annual cost of \$27,230. The costs will be fully funded with Special District funds. Sufficient appropriations and estimated revenues are included in the Department of Public Works and Planning Org 9140 FY 2018-19 Recommended Budget and will be included in the FY 2019-20 budget request.

DISCUSSION:

In early 2015, the Department through the Internal Services Department - Purchasing Division, solicited the services of accounting firms via Request for Proposal (RFP) No. 946-5324 for the preparation of annual financial reports for 33 Special Districts. Three firms completed the bid process and Hudson Henderson & Co., Inc. was selected.

On May 7, 2015, the Department established a procurement agreement with Hudson Henderson & Co., Inc. for the preparation of annual financial statements and annual financial transaction reports of 33 Special Districts on behalf of County. The original Purchasing Agreement was for a three-year term, with a one-year option to renew and a maximum compensation not to exceed \$85,800.

On December 1, 2017, a first amendment to the purchasing agreement was executed to add language to the Scope of Work to include preparation of the final audited Financial Statements in addition to the initial compilations.

On March 6, 2018, a second amendment to the purchasing agreement was executed, to extend the term through May 6, 2019 and increase the maximum compensation not to exceed \$99,900, as additional services were being provided that were unanticipated. The additional services included preparing the final audit report as requested by the County's external auditors.

The proposed agreement will increase the maximum compensation to \$155,000 and extend the term through May 6, 2020, for the preparation of the final audit report as requested by the County's external auditors.

Upon your Board's approval, the proposed agreement would allow the County, Hudson Henderson & Co., Inc. or the Department, or designee, to terminate without cause upon 30-days advance written notice of the intention to terminate.

The insurance limitations for Commercial General Liability are One Million Dollars (\$1,000,000.00) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000.00), which is below the amount required in the Model Contract. Given the nature of this Restated Agreement and that it is a continuation of an agreement that was entered into prior to the County increasing the recommended insurance requirements, the Department still recommends that your Board approve and execute the Restated Agreement. County Counsel has reviewed the recommended agreement and approved as to legal form.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Hudson Henderson & Co., Inc.

CAO ANALYST:

Sonia M. De La Rosa