



AGENDA ITEM NO.
C7

COUNTY OF HUMBOLDT

For the meeting of: March 20, 2018

Date: March 9, 2018

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer

Subject: Supplemental Budget (4/5 vote required) for the Auditor-Controller Management and Accounting Review

RECOMMENDATION(S):


That the Board of Supervisors:

1. Approve a supplemental budget in the amount of \$35,655 as shown in (Attachment A) for fiscal year 2017-18 for the Auditor-Controller Management and Accounting review (requires 4/5 vote); and
2. Direct the Auditor-Controller to transfer \$35,655 in fiscal year 2017-18 from the Tax Loss Reserve Fund (3010) to the General Fund.

SOURCE OF FUNDING: General Fund

DISCUSSION:

On February 6, 2018, your Board directed the County Administrative Officer to secure an independent firm(s) with organizational and accounting expertise to conduct a management and accounting review of the Auditor-Controller's Office pursuant to Government Code Section 25303.

Prepared by Amy S. Nilsen CAO Approval 

REVIEW:	Auditor <u>M&M</u>	County Counsel _____	Human Resources _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. C-11; C-7

Meeting of: 2/6/2018; 3/13/2018

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor Wilson Seconded by Supervisor Bass

Ayes Bass, Fennell, Sundberg, Bohn, Wilson


Nays _____

Abstain _____

Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 3/20/18

By: 
 Kathy Hayes, Clerk of the Board

Cooperative Personnel Services Human Resources Consulting (CPS HR Consulting) has been secured to supplement the work of Craig Goodman, Certified Public Accountant (CPA) on the assessment of management and accounting practices in the Auditor-Controller's Office. CPS HR Consulting will document and describe the work of the office of the Auditor Controller, and relate that workload to the available positions and time, to determine whether there is sufficient staffing, whether there is a reasonable operational structure, and whether there is appropriate management. This study will identify strengths, weaknesses, gaps and opportunities within the office, and will provide recommendations on its appropriate staffing and structure. It is noted the work of CPR HR Consulting will build on information developed from the Board approved Evaluation of Centralized Services study and the report developed by Mr. Goodman. The contract for these services is attached (Attachment B) and was within the authority of the Purchasing Agent to execute. The contract amount is for \$35,655.

It is recommended that the Board approve the attached supplemental budget in the amount of \$35,655 to support your Board's direction to conduct a management and accounting review of the Auditor-Controller's Office.

FINANCIAL IMPACT:

The tax loss reserve fund (3010) has a current balance of \$3,905,465. Your Board, through the fiscal year 2017-18 budget process, directed the Auditor-Controller to transfer \$1,100,000 to the General Fund. It is recommended that your Board direct the Auditor-Controller to transfer an additional \$35,655 to cover the cost of the management and accounting review. Your Board has previously authorized a transfer from this fund in the amount of \$20,000 for the CPA services of Mr. Goodman.

This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services and to foster transparent, accessible, welcoming and user friendly services.

OTHER AGENCY INVOLVEMENT: None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may choose not to approve the supplemental budget. This is not recommended as this is inconsistent with previous Board direction.

ATTACHMENTS:

- A. Supplemental Budget
- B. CPS HR Consulting contract

Attachment A

Supplemental Budget

Revenue:

1100-888-107060	Transfer From TLRF	<u>\$35,655</u>
		\$35,655 Total

Expenditure:

1100-103-2118	Professional and Special Service	<u>\$35,655</u>
		\$35,655 Total

Attachment B

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
COOPERATIVE PERSONNEL SERVICES, DBA CPS HR CONSULTING
FOR FISCAL YEAR 2017-2018**

This Agreement, entered into this 9 day of March, 2018, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Cooperative Personnel Services, dba CPS HR Consulting, a California Joint Powers Authority, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its County Administrative Office – Management and Budget Team, desires to retain a qualified professional to provide a management and accounting review of the Humboldt County Auditor-Controller's Office; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with the Humboldt County Administrative Officer, or a designee thereof, hereinafter referred to as "County Administrative Officer."

2. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2018, unless sooner terminated as provided herein.

3. TERMINATION:

A. Breach of Contract. In the event CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.

B. Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice. Such notice shall state the effective date of the termination.

C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or

eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

- D. Compensation Upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services provided pursuant to the terms and conditions of this Agreement through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Thirty-Five Thousand Six Hundred and Fifty-Five Dollars (\$35,655.00). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.
- B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Schedule of Rates, which is attached hereto and incorporated herein by reference.
- C. Additional Services. Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, the County Administrative Officer and the Humboldt County Auditor-Controller. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to the following address:

COUNTY: County Administrative Office
Attention: Amy Nilsen, County Administrative Officer
825 Fifth Street, Room 112
Eureka, California 95501

6. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective

addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: County Administrative Office
Attention: Amy Nilsen, County Administrative Officer
825 Fifth Street, Room 112
Eureka, California 95501

CONTRACTOR: CPS HR Consulting
Attention: Richard Mallory, Principal Consultant/Senior Project Manager
2450 Del Paso Road, Suite 220
Sacramento, California 95834

7. REPORTS:

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

8. RECORD RETENTION AND INSPECTION:

- A. Maintenance and Preservation of Records. CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for a period of three (3) years from the date of final payment hereunder, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. Such records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.
- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided pursuant to the terms and conditions of this Agreement, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment hereunder. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, without limitation, the costs of administering this Agreement.
- C. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

10. CONFIDENTIAL INFORMATION:

A. Disclosure of Confidential Information. In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: Division 19 of the California Department of Social Services Manual of Policies and Procedures – Confidentiality of Information; California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act (“CMIA”); the United States Health Information Technology for Economic and Clinical Health Act (“HITECH Act”); the United States Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations (“C.F.R.”) Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.

B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this Agreement, CONTRACTOR certifies that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.

B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:

1. The dangers of drug abuse in the workplace;
2. CONTRACTOR's policy of maintaining a drug-free workplace;
3. Any available counseling, rehabilitation and employee assistance programs; and
4. Penalties that may be imposed upon employees for drug abuse violations.

C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:

1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 2. Agree to abide by CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements.

14. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by CONTRACTOR hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
 2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include

coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).

3. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
 4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.
- B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:
1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
 2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
 3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
 4. Any failure to comply with the provisions of this Agreement shall not affect coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.

5. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other available remedies, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
 Attention: Risk Management
 825 Fifth Street, Room 131
 Eureka, California 95501

CONTRACTOR: CPS HR Consulting
 Attention: Richard Mallory, Principal Consultant/Senior Project Manager
 2450 Del Paso Road, Suite 220
 Sacramento, California 95834

16. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

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18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS AND RULES:

In the event any law, regulation or standard referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date thereof.

20. PROTOCOLS:

Both parties recognize that the inclusion of additional protocols may be required to make this Agreement specific. All such protocols shall be negotiated, determined and agreed upon by the County Administrative Officer and CONTRACTOR.

21. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

22. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

23. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

24. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund any funds disbursed to CONTRACTOR which COUNTY determines were not expended in accordance with the terms of this Agreement.

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32. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

33. SURVIVAL:

The duties and obligations of the parties set forth in Section 3(D) – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14 – Indemnification shall survive the expiration or termination of this Agreement.

34. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

35. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

36. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

37. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

38. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of

the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

39. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

COOPERATIVE PERSONNEL SERVICES, DBA CPS HR CONSULTING:

By: Sandy MacDonald-Hopp Date: 2/26/18

Name: Sandy MacDonald-Hopp

Title: Chief Financial Officer

By: n/a - CPS HR is a CA Joint Powers Authority Date: _____

Name: _____

Title: _____

COUNTY OF HUMBOLDT:

By: Amey P. Sen Date: 3/8/18
Humboldt County Purchasing Agent

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: K. Barros Date: 3/8/18
Risk Management

LIST OF EXHIBITS:

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Rates

EXHIBIT A
SCOPE OF SERVICES
Cooperative Personnel Services, dba CPS HR Consulting
For Fiscal Year 2017-2018

CONTRACTOR shall conduct a management and accounting review of the Humboldt County Auditor Controller's Office ("Auditor-Controller's Office") which includes, without limitation, all of the following:

1. SERVICES:

- A. Task One – Project Initiation. As part of Task One, CONTRACTOR will review the COUNTY's contracted Certified Public Accountant ("CPA") report on the assessment of the Auditor Controller's management and accounting practices and processes to review the current strengths and weaknesses of the Auditor-Controller's Office and define the required functions thereof.
- B. Task Two – Job Structure Evaluation. As part of Task Two, CONTRACTOR will obtain and review relevant available documentation regarding the operation and job structure of the Auditor-Controller's Office. Relevant data regarding the operation of the Auditor-Controller's Office will focus on budget documents submitted, reports of accomplishment and any memos, testimony or requests for additional staffing created by the Auditor-Controller's Office in the past twenty-four (24) months. Relevant data regarding the job structure of the Auditor-Controller's Office will include the job classification statements, job descriptions and/or duty statements of each established position therein.
- C. Task Three – Staff Interviews. As part of Task Three, CONTRACTOR will work with the Humboldt County Auditor-Controller and Assistant Auditor-Controller to conduct interviews regarding the job duties, assignments, workload and quality of work with each staff member employed thereby and the next users (customers) of each delivered output. Metrics related to outputs will be defined. A standardized survey format will be used to develop further perspective on workload, staffing and management structure, and to document any and all issues that currently exist within the Auditor-Controller's Office.
- D. Task Four – Supplemental Observations and Data Gathering. As part of Task Four, CONTRACTOR will schedule and conduct any reviews necessary to understand the demands of the Auditor-Controller's Office, including, without limitation, examination of performance and work in progress records, examination and testing of the completeness and quality of delivered work and targeted actions and observance of the internal work environment.
- E. Task Five – Similar County Staffing Analysis. As part of Task Five, CONTRACTOR will obtain organization charts of at least two (2) or three (3) larger, and two (2) or three (3) smaller, California counties, in order to compare apparent staffing of similar functions. Telephone interviews with those comparative counties shall be conducted to obtain better perspective in comparison. This task will produce a staffing comparison chart to provide perspective for any staffing needs determination.
- F. Task Six – Consolidation and Analysis of Information. As part of Task Six, CONTRACTOR will document, analyze and consolidate its findings and conclusions in order to develop a final findings report.
- G. Task Seven – Draft Findings Report. As part of Task Seven, CONTRACTOR will prepare,

and provide to COUNTY for review and comment, a draft findings report which includes a summary of the project methodology and tasks and a summary of data and information obtained. The draft findings report will include data tables and summaries of any and all relevant interview and survey information, and will document recommendations for staffing and organization of the Auditor-Controller's Office. This task includes a briefing for the Humboldt County Board of Supervisors, as a pre-final activity.

- H. Task Eight – Report Finalization. As part of Task Eight, CONTRACTOR will respond to comments and supplement the presentation or documentation of any or all components of the findings report, and will present all findings, conclusions and recommendations in a final format.
- I. Project Development Services. CONTRACTOR shall maintain timely and regular communication with COUNTY throughout the term of this Agreement in order to plan and organize information, including, without limitation, participating in planning sessions and regular meetings.

2. PERFORMANCE SCHEDULE:

CONTRACTOR shall provide the management and accounting review and project development services set forth herein within ten (10) weeks according to a mutually agreed upon performance schedule.

3. COUNTY RESPONSIBILITIES:

COUNTY shall work with CONTRACTOR to complete the services within the applicable timelines. COUNTY shall facilitate employee scheduling, and provide appropriate office space, for all required meetings. COUNTY shall ensure employee participation with all required tasks.

EXHIBIT B
SCHEDULE OF RATES
 Cooperative Personnel Services, dba CPS HR Consulting
 For Fiscal Year 2017-2018

A. Personnel Costs		
<i>Formula for salary calculations and any benefits should be clearly identified</i>		
Title: Project Manager Hourly Rate of Pay or Salary Calculation: \$165.00 Hours: 45		\$7,425.00
Title: Senior Management Analysts Hourly Rate of Pay or Salary Calculation: \$120.00 Hours: 154		\$18,480.00
Title: Project Consultant Hourly Rate of Pay or Salary Calculation: \$100.00 Hours: 28		\$2,800.00
Title: Executive Assistant Hourly Rate of Pay or Salary Calculation: \$65.00 Hours: 30		\$1,950.00
Total Personnel Costs:		\$30,655.00
B. Operational Costs		
Item: Description:		\$0.00
Total Operational Costs:		\$0.00
C. Supplies		
Item: Copies and Office Supplies Description: Copies and other office supplies		\$0.00
Total Supplies:		\$0.00
D. Transportation/Travel*		
<i>Travel expenses must follow Humboldt County Travel Policy Limits</i>		
Item: Consultant Travel Description:		\$5,000.00
Total Transportation/Travel:		\$5,000.00
E. Other Costs		
Item: Description:		\$0.00
Total Other Costs:		\$0.00
Grant Total:		\$35,655.00

* Travel expenses shall be included as an actual cost on submitted invoices for reimbursement up to the listed total. Travel time will be invoiced at half the billable rate.