

**FIRST AMENDMENT
PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
MACIAS, GINI & O'CONNELL, LLP
FOR FINANCIAL ADVISORY SERVICES**

This First Amendment to the Professional Services Agreement dated December 8, 2020, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Macias, Gini & O'Connell, LLP, a limited liability partnership, hereinafter referred to as "CONTRACTOR," is entered into this ____ day of _____, 2021.

WHEREAS, COUNTY, by and through its through its County Administrative Office – Management and Budget Division, desired to retain a qualified professional accounting firm to provide consultative financial advisory services to assist COUNTY in claiming charges, developing and implementing strategies for fiscal problems, address audit findings and other financial consulting services; and

WHEREAS, on the December 8, 2020, COUNTY and CONTRACTOR entered into a Professional Services Agreement regarding the provision of such financial advisory services; and

WHEREAS, the parties now desire to amend certain provisions of the Professional Services Agreement in order to extend the term thereof and expand the scope of services provided, and increase the maximum amount payable, thereunder.

NOW THEREFORE, the parties mutually agree as follows:

1. Section 2 – Term of the Professional Services Agreement is hereby amended to read as follows:

2. TERM:

This Agreement shall begin on December 8, 2020 and shall remain in full force and effect until June 30, 2022, unless sooner terminated as provided herein.

2. Section 4 – Compensation of the Professional Services Agreement is hereby amended to read as follows:

4. COMPENSATION:

A. Maximum Amount Payable. The maximum amount payable by COUNTY for any and all services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Seven Hundred Fifty Thousand Dollars (\$750,000.00). CONTRACTOR hereby agrees to perform any and all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable 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 as if set forth in full.

C. Additional Services. Any additional services not otherwise set forth herein, shall not be provided by CONTRACTOR, or compensated by COUNTY, without COUNTY's prior written authorization. Any and 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.

- 3. The Professional Services Agreement is hereby amended to delete Exhibit A – Scope of Services (“Exhibit A”) and replace it in its entirety with the modified version of Exhibit A that is attached hereto and incorporated herein by reference as if set forth in full. The modified version of Exhibit A attached hereto shall supersede any and all prior versions thereof as of the effective date of this First Amendment.
- 4. Except as modified herein, the Professional Services Agreement dated December 8, 2020 shall remain in full force and effect. In the event of a conflict between the provisions of this First Amendment and the original Professional Services Agreement, the provisions of this First Amendment shall govern.

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

MACIAS, GINI & O’CONNELL, LLP:

By: 
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Linda Hurley, Partner

Date: 5/5/2021

COUNTY OF HUMBOLDT:

By: _____
Virginia Bass, Chair
Humboldt County Board of Supervisors

Date: _____

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: 
Risk Management

Date: 5/6/2021

LIST OF EXHIBITS:

Exhibit A – Scope of Services

EXHIBIT A
SCOPE OF SERVICES
Macias, Gini & O'Connell, LLP
Financial Advisory Services

CONTRACTOR shall provide financial advisory services to assist COUNTY pursuant to the terms and conditions of this Agreement.

CONTRACTOR will be providing these services in accordance with the American Institute of Certified Public Accountants (AICPA's) standards for consulting services. The services to be performed by CONTRACTOR are not auditing services. Therefore, CONTRACTOR will not be issuing an opinion. However, based on the work performed, CONTRACTOR may provide findings and/or observations and recommendations.

The scope of services to be performed under this Agreement by CONTRACTOR may include, but not be limited to the following:

- Act in the capacity of the County's Chief Financial Officer (CFO) through direction from the County Administrative Officer (CAO) and assist with the transition and knowledge transfer upon appointment of the county's permanent CFO.
- Perform financial and/or accounting related tasks to assist the county to improve the county's financial position, internal controls and efficiency measures.
- Evaluate business procedures and processes, internal controls, opportunities for improvements, and assist in identifying and implementing operational efficiencies.
- Conduct functional and/or operational risk assessments, as requested by the CAO.
- Coordinate with county departments and state agencies to claim all allowable state and federal reimbursements.
- Develop and implement financial strategies for resolving fiscal problems; provide direction, support, and advice to department/agency representatives and other officials regarding fiscal problems as needed on an on-call basis.
- Assist in long-range financial planning to ensure state and federal cost reports claim the maximum allowable amount.
- Work with county staff to review the distribution methodology for utility charges, and other county costs shared across multiple departments.
- Assist county departments with FY20-21 Internal Service Funds journal entry submissions and FY21-22 Internal Service Fund budget submissions, analyze and provide input, and assist in documenting procedures.
- Assist in developing and implementing corrective actions to address audit findings from the Single Audit Reports for the fiscal year ended (FYE) June 30, 2019 and any findings that may be identified in the FYE 2020 Single Audit Report.
- Develop financial policies and procedures.
- Participate in the Auditor-Controller's Office staffing study, in collaboration with Human Resources.
- Assist the county in evaluating and responding to Redevelopment Agency and Successor Agency financial and accounting issues.
- Provide analysis and assist in the development of documentation of business processes and internal controls for post-implementation of the county's new ADP HR-Payroll system.

In addition, CONTRACTOR may assist the Auditor-Controller's Office (ACO) and the Treasurer-Tax Collector's Office (TTCO) in performing their operational responsibilities to mitigate backlogs and/or operational gaps that exist in the ACO and/or TTCO due to staffing vacancies and leave time,

impacts due to COVID, workforce shortages and system implementations, including but not limited to the following:

- Evaluate and assess the county's bank reconciliation process and assist the Auditor-Controller's Office (ACO) and the Treasurer-Tax Collector's Office (TTCO) in performing bank reconciliations, including providing observations and recommendations to streamline and/or implement operational efficiencies and/or enhance internal controls.
- Evaluate and assess the county's process relating to the county's banking activities, receipts of county funds and investment activity and assist the ACO and the TTCO in performing reconciliations between the TTCO's system and the county's finance enterprise system maintained by the ACO, of the related activity, including providing observations and recommendations to streamline and/or implement operational efficiencies and/or enhance internal controls.
- Provide assistance as requested by and assigned by the ACO, that may include but not limited to the following; provide temporary staffing services to the ACO (as requested by the AC), assist in reviewing and posting journal entries, reconcile loans receivable, reconcile CalCard statements, assist in property tax roll corrections, assist in property tax supplemental processing, and assist in the county's interest allocation/apportionment processes, and other duties as assigned by the Auditor-Controller (AC).
- Perform additional services to the ACO to assist in the office's operational responsibilities, as assigned by the AC.
- Provide oral status reports to the Board of Supervisors on a quarterly basis.